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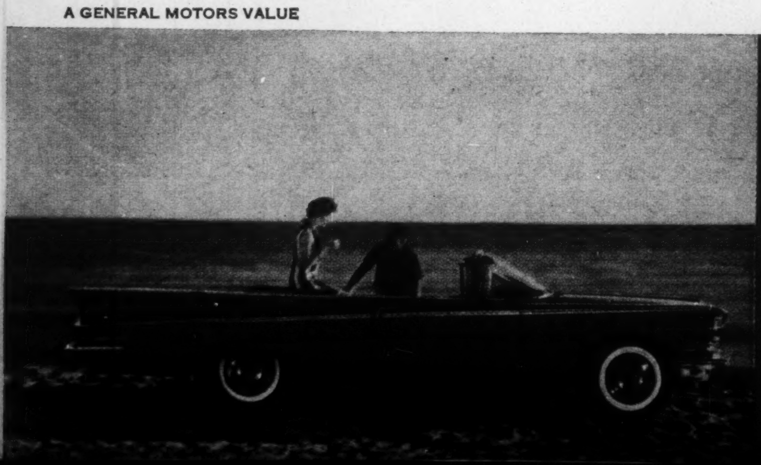

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April 25, 1959

Saturday Night

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INSIDE STORY

Backing up its Royal Cover, in this issue SATURDAY NIGHT discusses various aspects of the Crown in Canada. Leading off on page 9, **Arnold Edinborough** writes of this year's Royal visit. Following are two articles on the financial and legal status as under:

Canadians tire easily of the midwestern American belief that they "pay tribute" to a British monarch. But the financial position of the Crown continues to fascinate on both sides of the Atlantic. Examining it in "What the Crown Really Costs" on Page 10, **Donald R. Gordon** comes up with the answer that the British Parliament actually makes a profit on the operation—through an "indirect form of nationalization".

What are the real powers of a Canadian Governor-General? Most Canadians believe — since the famous **Byng-King** controversy in 1926— that a Prime Minister now has a right to dissolution of Parliament but the experts disagree. On Page 12 **Robert W. Reford** discusses the legal and social facets of the position of The Queen's representative in Canada.

Last year the public protest of the British people against the manufacture and use of nuclear bombs had a rowdy and slightly comic aspect. This year it has become deadly serious and important and may even influence government policy. For a first-hand report see "Britain's Anti-bomb Mob Becomes Respectable" by **Charles Taylor,** on page 14.

Effective July 1 of this year the Income Tax is going up. In the meantime, as this month's deadline for payment draws close, all Canadians are sweating over the inevitable returns. Two articles on the tax— "How It Got That Way" and "Denial of Basic Rights"—are on Pages 16 and 18. One is by Professor **W. G. Leonard,** Head of the Department of Banking Studies at Queen's University and the other by **Arthur S. Gillman,** tax-economist, Winnipeg.

It will take a strong stomach, writes critic **Lincoln Spalding,** to read Judge **Curtis Bok's** latest book *Star Wormwood*. His review of this bare-knuckled treatment of "due process of law and the hideousness of capital punishment"—"The Legal-Horror Story"—appears on Page 27.

Letters

Old Age Plans

Re comparison of Canadian vs U.S. Old Age Plans, (SN, March 28).

I am a participant in both plans and while each has some advantages over the other, I believe on the whole the U.S. plan is much more preferable:

(1) Under the U.S. plan no residence requirements are provided. The participant will receive the benefits whether a resident of the States, South Africa or some other far away country.

(2) The benefits received by a resident in the U.S. are free of taxation. However, if a participant resides in Canada the amount received under the U.S. plan or Canada plan is taxable by Canadian Income Tax Division.

(3) The age requirement is 65 in U.S. and 70 in Canada.

(4) Under the U.S. plan in most cases the benefits are greater than in Canada. In our case I receive $95 a month and my wife $47.50 or a total of $144.50 vs $110 in Canada. In case of my death my wife's share would be increased to more than $71 a month.

(5) There are very few in the States who would receive less than under the Canadian plan. Each year their coverages and benefits are being increased.

RIVERSIDE **W. HARRY HOWE**

Billions!

In "The Case Against Fixed Freight Rates" (SN April 11), the effect of the Crow's Nest grain rates on railway revenue is shown by the figures of eight million ton-miles of movement producing $44 million revenue. This should read eight billion ton-miles producing $44 billion revenue.

Similarly, all other traffic movement of just over 10 billion (not million) ton-miles produced $127 billion (not million).

MONTREAL **ROBERT JAMIESON**

One-Sided

Your article on the Newfoundland labor dispute was typical of many other such articles written by mainland reporters. There is nothing more distasteful to a reader than the writings of a misinformed or prejudiced reporter. Surely, we must have some reporters who are capable of getting the facts, from both sides. and reporting them as such.

While segments of Mr. Baiden's article are quite true, it is my opinion that it does no more to inform the Canadian Public of the true situation than the other pieces of propaganda we have heard on radio and TV. Perhaps you could try doing it all over again in the light of recent developments.

CORNER BROOK **H. G. HARNETT**

Hobson's Choice

Maxwell Cohen argues eloquently in favor of "making nationhood a deeper reality" but it is hard to see how the modest program he outlines differs from that of the "neutralists" he condemns.

Your writer points out that in this country "we have no wish to develop an atom bomb and have not the resources to develop an ICBM". At the same time he ignores the fact that the lack of this particular equipment leaves us committed to neutralism whether we like it or not. Such activities as he suggests—Arctic patrolling, small plane construction, the building of navy vessels for the Arctic, etc., etc.—are irrelevant or at best peripheral to the question of security. With neither bombs nor nuclear weapons of our own we have no way of either fighting or defending ourselves in a nuclear war.

In the past a number of small nations managed to achieve neutrality but today they have neutrality thrust upon them. We can either shed neutrality by joining the U.S.A., or retain our nationhood along with our neutrality. We can't have it both ways. This is the *realpolitik* of the nuclear age which Cohen refuses to recognize.

WESTMOUNT **S. P. SULLIVAN**

Crosswalk

I don't think that even the nuclear scientists want to play Russian roulette, so I suggest that they elect one of those nice old gentlemen who guide our school children across the street to be Chairman of their board. That way these children may cross future streets with reasonable assurance of living to the other side.

TORONTO **L. O'RORKE**

Pleasant Vice?

Book reviews make depressing reading these days.

When one sees a list of the best sellers among current novels, one knows at once that those heading the list are not the best from a literary point of view, but the most salacious. The reviews unfold with monotonous regularity the themes of promiscuity, seduction, rape, adultery, homosexuality and kindred horrors in an atmosphere of complete amorality. As we become what we contemplate, it is inevitable that such reading matter will have its effect upon the *mores* of our people. Nor does this moral looseness make for greater happiness for it is quite notorious that it does not. Corrupting and salacious reading matter, which lowers the moral tone of the community, is a danger to the individual, the home and the country.

Shakespeare, the great moralist, had the right word for this type of behavior:

> *"The gods are just, and of our pleasant vices*
> *Make instruments to plague us."*

VANCOUVER **L. V. SCOTT**

Arab Refugees

After reading Peter Worthington's article "Year of Decision for Starving Arab Refugees," it is painfully evident that the refugee problem has been artificially maintained by Arab governments for political motives against all the economic, social and cultural forces which, had they been allowed free play, may well have brought about a solution.

Apart from the question of its origin, the perpetuation of the Arab refugee problem is an unnatural event, running against the course of recent experience and precedent. Since the end of World War II, problems affecting 40 million refugees have confronted governments in various parts of the world. In no case, except that of the Arab refugees, amounting to less than 2 percent of the whole, has the international community shown such intense interest and provided so much per capita aid.

In every case a solution has been found by the integration of refugees into their host countries—9 million Koreans; 900,000 from the conflict in Viet Nam; 8½ million Hindus and Sikhs leaving Pakistan for India; 6½ million Moslems fleeing India for Pakistan; 700,000 Chinese refugees in Hong Kong; 13 million Germans from the Sudetenland, Poland and other East European States reaching West and East Germany; thousands of Turkish refugees from Bulgaria; 440,000 Finns separated from their homeland by change of frontiers; 450,000 Jewish refugees from Arab lands arrived destitute in Israel; and an equal amount converging on Israel from the remnants of the Jewish holocaust in Europe—these are part of the tragic procession of the world's refugee population in the past two decades.

In every case but that of the Arab refugees now in Arab lands, the countries in which the refugees sought shelter have facilitated their integration. In this case alone—the Arab refugees—has integration been obstructed.

It is impossible to escape the conclusion that the integration of the Arab refugees into the life of the Arab world is an objectively feasible process which has been resisted for political reasons.

MONTREAL MARVIN NEEDELMAN

Wheat and Exports

It seems strange to the prairie wheat farmer that a usually unbiased magazine, SATURDAY NIGHT, should publish an article on a request of the CMA for government help to manufacturing in the form of increased credit for overseas buyers, and yet dismiss the western grain growers plea for a price adjustment so abruptly as you did in your February 14 issue. Can it be that the people of eastern Canada are not able to digest the seriousness of the wheat crisis?

Admittedly, the numbers directly engaged in wheat farming are not one million, but the greater part of the approximately 900,000 people engaged in farming in western Canada are grain farmers. Moreover, the approximately 800,000 people living in small prairie towns are indirectly dependent on the farm population for their livelihood. Western Canada with all her mineral wealth is still not in a position to get along without a thriving wheat industry. Apart from this, however, wheat is still the second most valuable export Canada has . . .

Our present heavy manufacturing industry has been built up largely to supply the primary industries, including the wheat industry. Wheat farms in western Canada are now highly mechanized and very efficient compared to similar farms in other parts of the world. Because of this, the income from wheat has remained fairly constant in spite of a fall of about 33 cents a bushel in wheat prices from the post war peak.

However, another factor has lowered the farmer's net income—inflation. The value of the dollar has dropped roughly 50 per cent since 1946, with the result that the most efficient wheat farmer is scarcely meeting running expenses on his income, and is certainly not able to replace his old machinery with new to anything like the extent he needs new machinery. It is at this point that the eastern manufacturer is affected by the wheat problem, and it is at this point that he asks the government for help in the form of credit so that the poorer Nations can buy the machinery

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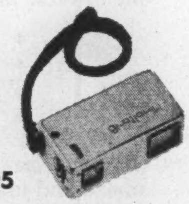

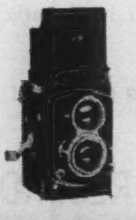

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Canadian farmers cannot afford. Because we have a price structure higher than any nation but the U.S. (and we buy about twice the goods from her we are able to sell to her) we must find some way of bringing the prices of goods we export into line with internal prices. The real problem of Canada's wheat farmer is that he is selling at world prices and buying at Canadian prices. The manufacturer wants to sell at Canadian prices financed by the Canadian government. I doubt if this means very much more than price supports for Canadian industry . . .

A price adjustment financed by the Canadian government is probably the simplest and only immediate way of solving the wheat farmer's problem, but it can be a temporary measure. Other things can, and should be done. We can make readjustments in trade patterns backed by agreements, for though increased credits to underdeveloped countries may, to a limited degree, be desirable, we as a small nation, unequally developed ourselves, and with economic troubles of our own, cannot rely on this method to maintain necessary trade, and we would be far better to make barter agreements exchanging goods we have for goods we need.

Secondly we can change slowly the type of products we sell, farm and manufacture to suit the market, but this can only be a sensible step when we are fairly certain of markets. Most important, we must bring inflation to an abrupt halt, by government action, if necessary, or we will be able to sell nothing abroad without bonusing it at home, a point which, clearly, we have nearly reached already. In short, we must try to live on our national income, which like it or not, includes exported wheat. Certainly, it would be the height of foolishness to allow an established industry to collapse through lack of consideration of its problems.

SASKATOON C. H. JONES

Motivation Research

It is unfortunate that the point of view of the *New York Times's* editorial writer ("This country cannot possibly start an aggressive war against Russia or any other nation. Our public simply would not support such a war, etc.") doesn't seem to have reached the ear of President Eisenhower. Mr. Eisenhower continues to insist that West Berlin is the "moral responsibility" of the West and that if the Army can't handle a brush war "you have got to think in much, much bigger terms".

One feels rather like the man who was assured that the growling watch-dog wouldn't start any aggressive action. "I know he won't bite, and you know he won't bite. But does he know he won't bite?"

VANCOUVER STEVEN HARSHAW

Comment of the Day

No Surprise Budget

THE BUDGET surprised nobody. Taxes were increased, the deficit remained, and inflation is still a threat. But Mr. Fleming did at least show clearly some of the economic facts of life to those electors who were silly enough to think that Mr. Diefenbaker could provide new and improved welfare services at the same time as he reduced taxes.

People now clamor for welfare services of all kinds and politicians would be foolish to ignore such demands. But the blunt accounting is shown in the budget figures which calculate that, while 30 cents of every dollar to be received by the government next year will come from direct tax on income, twenty-eight cents out of every dollar to be spent by the government will be spent on welfare.

The government, in other words, must buy its services the same as a private person must. There is no pie in the sky to be cut by one and all. And the more a politician on the hustings suggests that there is, the heavier will the reckoning ultimately be.

It was Mackenzie King who really summed up the 1959-60 budget. A voice from the grave of Hansard for the 16th of June 1931, Mr. King remarked what must be by now obvious to every elector in this country: "The promises of yesterday are the taxes of today."

A Song in his Heart

WHEN ON HIS WAY to lambaste the Government in Ottawa, Newfoundland's newsmaking Premier Smallwood shook off the pursuing press in Montreal and was nowhere to be found during an entire afternoon. Because of his impending lawsuits against the federal government and his current constitutional wrangle with Prime Minister John Diefenbaker, many reporters suspected that he had given them the slip in order to rendezvous quietly with some of the mainland's constitutional lawyers. It was even whispered that the legal adviser might be none other than ex-Prime Minister Louis St. Laurent, who is now back in legal practice and who, obviously, would not be averse to lending intellectual support to the political adversary of a man named Diefenbaker.

Smallwood did nothing to clear up the mystery of his disappearance when he finally returned to his hotel later that evening. Indeed, he only managed to deepen it further by smiling enigmatically and remaining uncharacteristically silent about his afternoon whereabouts.

SATURDAY NIGHT is now in a position to reassure the baffled reporters and unduly worried Tories that the Newfoundland premier did not spend the afternoon in hatching any dark Liberal plot against his Ottawa tormentors. An avid bibliophile and the owner of one of the better private libraries in Canada, Mr. Smallwood took advantage of his Montreal stopover to browse through five of the city's second-hand book shops in search of titles for his collection. He considered it an afternoon well spent, too, making four purchases, among them an old and rare volume of Newfoundland ballads.

CBC's Program Problems

ONE NATIONAL HOCKEY League play-off game between Boston Bruins and Toronto Maple Leafs had to bow to a previous television commitment by the CBC. *Salad Days,* a frothy musical offering about England's bright young things, got national viewing instead. Then Premier Smallwood had his Press Conference advanced two hours so that he would not run into the really exciting part of the final Bruin-Maple Leaf play-off game. Next, Mr. Fleming brought down the budget on the very night that Montreal and Toronto met for the first time in the finals of the Stanley Cup.

Retaining its sense of proportion through all this, the staff of the CBC was encouraged by one listener who telephoned to say he wanted more Smallwood and less NHL and another who suggested that Foster Hewitt interview the Minister of Finance between periods.

Dirty Canvases

WE TRY HARD to understand what modern artists are doing. We confess readily, in fact, to a genuine admiration for the work of sculptor Henry Moore and the pictures of Graham Sutherland and, in Canada, of Alfred Pellan. But two of the canvases hanging in the spring exhibition of the Ontario Society of Artists defeat us completely. One is a painting by Jack Bush, No. 12 in the exhibition, and the other is a painting called Exci-table by Michael Snow, No. 74 in the exhibition.

These canvases are both the kind which ungenerous critics of modern art call daubs. They are the kind, which in a previous century, might have been characterized as canvases which fling a pot of paint in the face of the public. But we thought there must be something more to them and studied them carefully.

What did we find? We found on both that there were several little chains of paint spots made by color dropping out from the brush as it painted higher up the canvas. In one of the paintings one of these spots was even smeared over a quite unrelated color area. Now it may be that the artist, having dropped the paint so carelessly on his canvas, found that it struck him as significant and so he left it. But if art is, as we understand it to be, a highly selective arrangement of material through intense concentration on the part of the artist, then these spots can scarcely qualify as art.

To be a genius is to transcend the usual rules—everybody would agree with that. But to be a slap-dash, haphazard, careless and dirty painter doesn't seem to be any criterion for being a successful artist. Yet apparently this is what the selection committee of the Ontario Society of Artists, an academic body, now accepts. Who are they fooling?

Price and Prosperity

THERE SEEMS to us a basic inconsistency in the economic thinking of Mr. Fleming as shown in his budget speech. He based part of his argument for increased taxes on an economic recovery reflected in the prediction of a seven per cent increase in Canada's gross national product in the next fiscal year.

What one is led to ask, however, is what the nature of this seven per cent rise in the GNP will be? How much of that seven per cent will, in fact, be increased output of goods and service and how much of it will be merely an increase in prices?

Mr. Fleming is aware of the danger of rising prices because he warned in his speech against "a persistent trend towards higher costs of production."

The increase in the gross national product is to be achieved in Canada. To quote Mr. Fleming: "our expectations of continuing improvement in the economic

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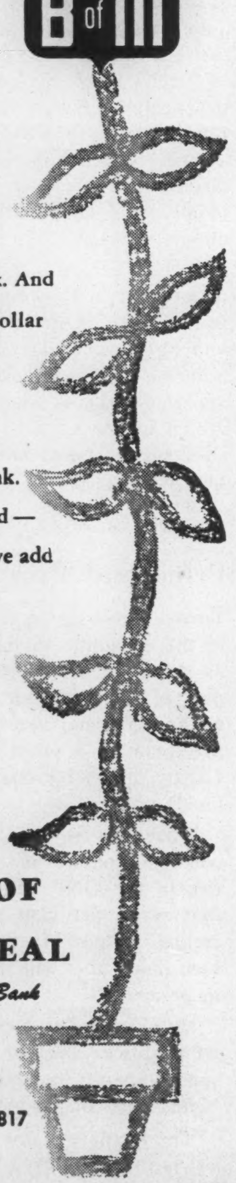

situation at home do not depend on any large increase in exports".

Mr. Fleming's proposition therefore seems to be that we shall produce and consume seven per cent more real goods and services in the next fiscal year. But it isn't going to be as easy as that.

Immediately after Mr. Fleming announced his increase in the excise tax on tobacco equivalent to 2¢ on a package of cigarettes, tobacco companies announced a 3¢ a packet increase in the retail price. Mr. Fleming announced another tax increase equivalent to 12¢ on a 25 ounce bottle of whisky; but the price increase across the country in liquor stores has ranged *up* from 25¢ per 25 ounce bottle. Mr. Fleming's increase in corporation tax was two per cent, but a tire manufacturing company announced a five per cent increase in price immediately. There are indications that many other manufacturers and businessmen plan to pass on all tax increases, plus a comparable increase of their own, to consumers.

If this is not inflation, we don't know what is, and how Mr. Fleming can suggest that his budget will be anti-inflationary when he invites, indeed sets off, such an increase in prices is difficult to see. And if the seven per cent GNP increase is not going to be partly, even largely, made up of a general price increase, we will eat the excise labels on a case of whisky.

Women's Wiles

LIVING IN a matriarchal society, we should have guessed that, when the Doukhobor Sons of Freedom campaigned earnestly for government assistance to migrate to Russia, and then a few weeks ago changed their minds and campaigned just as earnestly for the opportunity to remain in Canada, they were sons of freedom in name only . . . that in reality, they are dominated by their womenfolk every bit as much as the average Canadian male.

If any further proof was needed that this maverick Doukhobor sect was subject to female wile and whim for guidance, it was supplied last week when the ruling 52-man fraternal council was stripped of its power at a meeting attended mainly by women members.

Sons of Freedom, indeed!

Canadians Tour Too

REFRESHED BY their recent conventions, tourist resort operators and restaurant operators are now laying their local plans for the summer. These plans need laying carefully because the Canadian tourist industry has been in the doldrums recently and James M. McAvity, president of the Canadian Tourist Association, expresed the view at one meeting the reason for this was that the product has not been all it was proclaimed to be.

With this we agree. There is a growing number of excellent motels in this country, but there is also a large number of second rate places still in operation. And a really good restaurant on a main Canadian highway is a thing to know about rather than to be expected.

But all this and more has been said before and we do not want to labor the point. Diminishing financial returns will make it far more emphatically than we could. But what we would like to see is a determination on the part of those in the tourist business to attract and cater to Canadian tourists as well as American ones. We are apt to run up the American flag on almost every gas station, to welcome American visitors in every shop window and at the same time as we mention that there is a 3 per cent discount on U.S. funds, suggest that American tourists eat hearty.

Yet the bulk of tourist travelling in Canada is done by Canadians. Why they are not given a better deal by their fellow countrymen we have often wondered. Many an Ontario person wants to see the Maritimes, but is irked by the fact that only New Englanders seem to be made welcome. Again, though British Columbia is a fantastic and wonderful province for tourists, the amount of urging done by the British Columbia travel people to get Central Canadians to visit them is practically nil.

Even in high-class hotels, tourism is often considered a mere method of getting money from Americans. It should not be so. Canadians, as John Fisher has been saying for years, should see Canada first. But if all Canadians see when they tour Canada is the American flag, American food and messages directed to their American friends, they might just as well go south of the border where such insistence is even better done, and with more obvious reason.

Paying for Dental Care

THE NOVA SCOTIA Dental Association is to be congratulated for its decision to bring a post-payment dental care plan into operation in that province on July 1st.

When operative, the plan will be under the control of a provincial board of dentists to be known as Nova Scotia Dental Services, and will be similar to plans already existing in Saskatchewan, Alberta and Ontario. It will cover the cost of artificial dentures and all dental services, including annual and semi-annual check-ups.

Chief aim of the plan is to persuade people without ready cash to seek the full benefits of preventive dentistry, rather than confine visits to emergency repairs only.

The amount of the monthly payment is a matter decided between dentist and patient. Carrying charges are low, thirty cents monthly on accounts of $150 and under, fifty cents monthly on accounts over $150. Furthermore it is one installment plan under which no provision is made for repossession.

The obvious advantages of such a plan to dentist and patient alike prompt the question: Why is it embraced by only four Canadian provinces, and not by all ten?

The Queen's Touch

CANADA'S MINISTER OF JUSTICE, the Honorable Davie Fulton, is reported in Hansard as saying that his government was able to alleviate the serious overcrowding in our Federal penal institutions which existed when his party took office in 1957 by declaring a special amnesty to co-incide with the Queen's October visit to Canada at that time.

He went on to add that, since then, the overcrowding situation in Canada's penitentiaries has again reached emergency proportions.

All of which prompted Harold Winch of the CCF to enquire if that was one of the reasons why the Queen was paying another visit to our country this summer.

Good Ship to Venus

WE ARE GRATEFUL to the Industrial Bulletin of Arthur D. Little, Inc. of Cambridge, Mass. for putting us *au fait* with a brand new space age sport.

According to A. D. Little, the skipper of a space ship, once in orbit round the earth, can unfurl a metallized sail. In a minute or two it will fill with sunlight and the steady pressure of the sun's rays, acting like the wind, will send the ship through space. By putting it on one side of his rocket, this space sailor may go direct to Mars and, if he uses it as a brake against the pull of the sun, his rocket will soar to Venus.

As in ordinary sailing there are tricks to be learned. You have to trim the sail to run before the sunlight just as you would trim the mainsail to run before the wind. And, of course, when you have covered the circuit round the earth and are heading into the sunlight, you have to go on the opposite tack.

What will make the average small dinghy owner envious is that the sail is only one-tenth of a thousandth of an inch thick but the optimum area for it will be about forty-five acres.

With such a sail, and with a competent space-ship skipper, it is easy to get to the planets. The time to get to Venus is under a year, and if the sail material were made twelve times thinner, this figure could be cut to a month.

How you trim or furl a metallized sail thinner than 1/240,000 of an inch thick is not indicated, and we would think that reefing it in bright sunshine would bring out the worst in the whole crew.

LONDON BY NIGHT! BIG BEN ACROSS THE RIVER THAMES

How to spend ten days in Britain for only $500 fare included

Learn how amazingly economical a vacation in Britain can be. Read the facts and figures below—then get in touch with your travel agent or send to the British Travel Association at 90 Adelaide Street West, Toronto, for free illustrated literature.

(1) *How much does it cost to get to Britain and back?* Ask your travel agent about economy fares. You can go both ways from Toronto by rail and ship for $378; both ways by air for $459; from Vancouver by rail and ship $514; by air $644.

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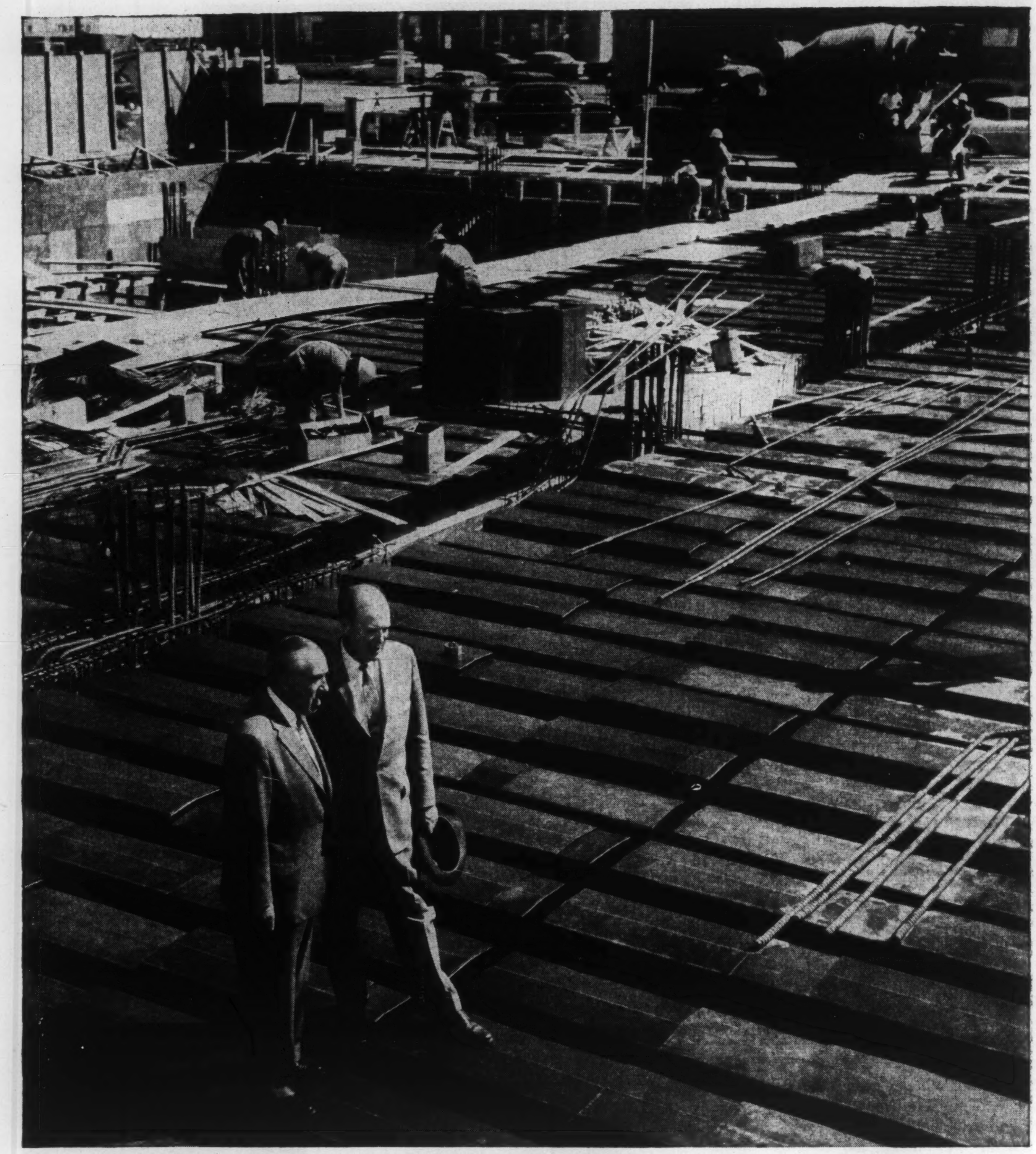
The best man to see about budgeting your trip is your travel agent. For free literature write the British Travel Association, Dept. SN159, 90 Adelaide Street W., Toronto.

History comes to life in Britain. Ancient customs and centuries-old ceremonies abound. Here, for example, is the Hornblower of Ripon, where, for nine hundred years, the horn has been sounded nightly at the Market Cross. Come and explore old-world Britain.

COME TO BRITAIN



Manager of one of the Royal Bank's Calgary (Alta.) branches watches construction of a customer's new building

What's a Banker Doing Here?

The Royal Bank manager (with hat) is getting a ground-floor look at his wheat-pool customer's expansion plans. Such visits won't make him an expert on construction, but they will give him a closer insight into his customer's problems . . . provide a better background for an informed banking service. This habit of seeking information in the field is typical of Royal Bank managers everywhere . . . one reason why the Royal stands so high at home and abroad and why it is Canada's largest bank.

THE ROYAL BANK OF CANADA

Assets exceed 4 billion dollars

OVER 900 BRANCHES IN CANADA, THE CARIBBEAN AREA, AND SOUTH AMERICA. OFFICES IN NEW YORK, LONDON AND PARIS

Saturday Night

The Royal Visit:

A Brief Survey of Plans in Progress

Despite municipal secrecy as to plans The Queen will be sure to meet officials by the hundreds.

PLANS MADE by individual municipalities for the Queen's visit this summer will not differ very much from those laid for visits on previous occasions. There will be the usual mass concentrations of children, a lot of hand-shaking by civic and other elected officials, and an occasional variation which we have no doubt the Queen will find a blessing.

SATURDAY NIGHT wrote to nearly all the municipalities to be visited by the Royal couple and asked for an outline of the plans so far made. What surprised us was how many municipalities are treating the visit with the most deadly secrecy. The Mayor of Fort William, for example, Mrs. Catherine Seppala, stated that "we have been advised to release no information whatsoever to the press regarding the contemplated date of the visit to the City of Fort William and, under the circumstances in which we find ourselves, I regret very much that we are unable to comply with your request".

Similarly the Mayor of Kamloops informed SATURDAY NIGHT that preliminary information is "off the record until approved by Buckingham Palace". Fredericton said bluntly that its plans "have not yet received final approval". Even Metro Toronto is holding its plans closely secret. The Chairman of the Metro Council, F. G. Gardiner, told us that:

"All of the arrangements for the Royal Tour are being made and are under the control of Lt.-Col. F. F. McEachren, Provincial Co-ordinator. There have been certain preliminary discussions as to the course and the form which the Royal Tour will take but these discussions have been held strictly on a confidential basis."

Other cities do not feel so inhibited since the Mayor of Uranium City, Saskatchewan, told us that his townsfolk would provide a reception at the airport, a trip by motor car to Uranium City, a tour of the town and then a tour of the Eldorado mill with a glance at some water skiing on the way back to the airport.

Sudbury also gave us full details of the projected activities of the Royal party. These include a visit to the International Nickel Company's huge Frood-Stobie open pit, "one of the world's truly amazing mining developments". The Queen and Prince Philip will then drive through Sudbury and will go to Queen's Athletic Field where 25,000 children will be gathered to greet the Royal couple. Even the name of the girl who will present a bouquet to the Queen is known (it is Karen Frazer, who is Sudbury's Little Miss Easter Seal).

In Saskatoon, a gift of two bursaries "to be known as the Princess Anne and Prince Charles Bursaries, to be awarded to a female and male student in attendance at the University of Saskatchewan" will be presented by His Worship Mayor Buckwold. Then there will be the opening of the new Queen Elizabeth Electric Power Plant "one of the largest power stations in the west". "Following this ceremony the Royal party will proceed by car . . . to the University grounds where . . . the President of the University will also present to Her Majesty specially bound copies of the History of the University" which is celebrating its 50th Anniversary.

After this the Queen and the Prince will go to the University's Griffith Stadium for a massed gathering of children and then to Kinsmen Park where there will be another massed gathering. Two other rallying points for massed children are to be provided in the route of over nine miles.

CONTINUED ON PAGE 41

Royal residences such as Windsor Castle add to glamor of the Crown. Other properties are producers of revenue.

What Does the Crown Really Cost?

by Donald R. Gordon

YOU CAN'T REALLY pinpoint all the details—the tangle of history represented by an evolving Commonwealth has created an accountant's nightmare. But, in a general survey, it's clear the cost of the Royal Family runs into the millions each year.

To start with, there's the basic pay. Visible income for the Queen and her immediate family now totals some £650,000 ($1,775,000) annually. That's the money available to pay for all the Royal advisers and retainers, to meet the housekeeping bills and generally look after upkeep of the family as a whole.

Then there are the fixed assets: Castles, palaces, Royal residences and land holdings. They're expensive to maintain, but are top value possessions in land and historic buildings. And don't forget the jewels, priceless paintings, golden coaches, racing stables, and other trappings that make a Royal Family look regal as the occasion demands. Total value: Estimated in the "tens of millions."

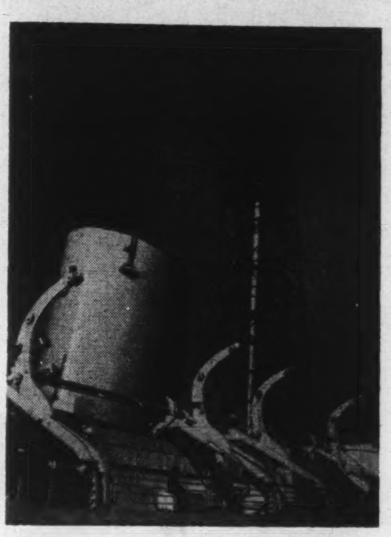
And then, of more practical value, there are the perquisites. There's a five million dollar yacht (officially on the establishment of the Royal Navy and convertible into a hospital ship) with a crew of 250; a special Queen's Flight of the RAF (officially one of the training sections); a Royal Barge (virtually out of use but still available at Greenwich), and a Royal Train (the Royal Family pays mileage charges). There are about 100 "grace and favor" houses that the Queen can hand out to deserving persons rent free. And there are those gifts—from a portrait of a railway bridge recently loaned back to British Railways to that island in British Columbia given to Princess Margaret.

The visible income is the easiest to trace. And naturally enough the Queen herself gets the lion's share. Currently the allotment is £475,000 all told for her household establishments. In addition, the Queen gets roughly £10,000 a year, to look after young Prince Charles.

The Duke of Edinburgh receives a separate allowance of £40,000. Other Royal Family members get varying amounts—the Queen Mother, £70,000; the Duke of Gloucester, £35,000; Princess Margaret, £6,000; and the Princess Royal, £6,000.

There are some ifs and buts to all this. For one thing, the Queen's allotment isn't completely cut and dried. If she has a surplus one year, she doesn't keep it.

Instead it goes to the Royal Trustees who, as Privy Purse officers explain, "invest such money for future contingencies." And while death duties don't apply to the Queen herself, they are levied on other Royal Family members.



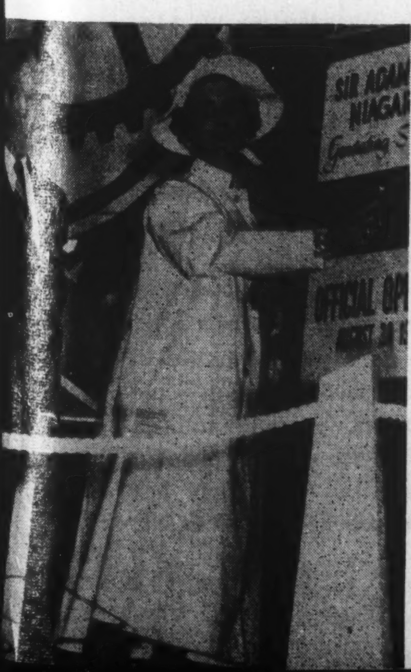
Shortening masts of "Britannia" for seaway opening celebrations.

All this basic pay is quite apart from the income of the Crown. With the establishment of responsible government, Queen and Crown have come to mean different things, so that now the Crown has become a collective term for the government of the day, wholly apart in fact from the Royal Family.

Originally, Crown and King were the same since the sovereign ran the country as his own. But as Parliament battled its way to supremacy, successive rulers grudgingly granted part of their revenues to the nation in return for Parliament taking on some of the responsibilities and extra expenses.

Since the reign of George III it has been customary for Kings to give up the major part of their hereditary revenues from Crown-owned lands and the various Royal businesses such as mines and fisheries, fines, taxes and excise duties. In return, Parliament has agreed to give the rulers a fixed sum, known as a Civil List (since it originally included the salary of civil servants and judges). It's this list that provides most of the Queen's money now.

The only important other incomes now come from part of the revenues of the Duchies of Cornwall and Lancaster (about £190,000 a year) and a handful of colorful but small traditional incomes such as a beaver skin from Hudson's Bay Company every time a Sovereign visits Canada, or the right to all sturgeon caught in the Royal domain. (In practice, the fish are given to charitable organizations like The Little Sisters of the Poor.)

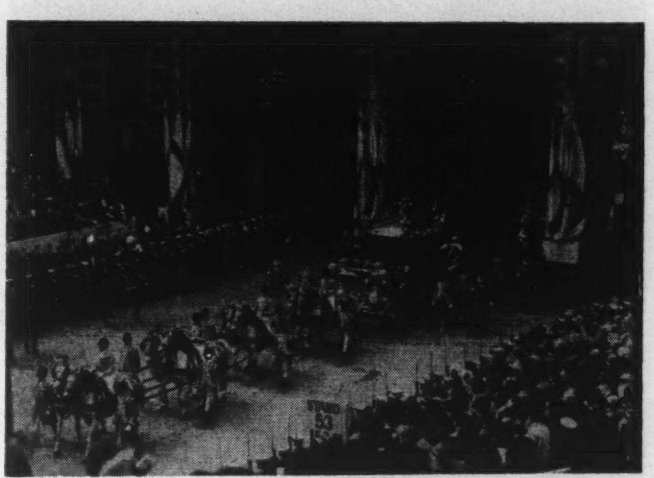


Other members of the Royal family participate in official duties. Duchess of Kent opens Hydro plant at Queenston.

Mind you, the Civil List grants, and the other allowances made to the Royal family, are still substantial. When George III made his deal with Parliament, he received very little in modern terms for Crown land incomes worth about £89,000 a year, netting about £11,000. Now the government grants a whopping £475,000 in the Civil List, plus £157,000 under other arrangements.

But, on the face of it, Parliament still makes a profit. The incomes surrendered in return for the present Civil List are estimated to total about three million pounds a year. When upkeep and administrative charges are deducted, about £1¼ millions clear is left, a profit of £750,000 each year when the Civil List is deducted, or about £539,000 when all direct charges are included.

"Mind you, this isn't really a true profit," a conscientious British economist points out. "To be strictly honest, one has to admit that most of these holdings would have been swallowed up long ago by death and succession duties (The Royal Family is partially exempt.) It is possibly more correct to look upon this sum of Crown incomes as money earned by the government through an indirect form of nationalisation."



Pomp and pageantry are still loved by British people and admired by visitors. Coronation coach for state occasions.

On the other hand, Palace officials point out that "it can be argued that death and succession duties are paid, not in cash, but in kind, as the valuable contents of the Palaces in occupation are left intact to the successor on the demise of the sovereign, whereas on the death of, say, Tom Smith, his family reap the benefits of the material results of his labors." A point there, especially when you consider the amazing and valuable collections of paintings, furniture, stamps, armour, books and the like built up and left by various kings and queens.

There's more to the story yet. Royal visits aren't included in this official reckoning of family income. As a rule now, not unreasonably, the host country pays all the charges. In the case of the coming Canadian tour, for example, the Canadian government is responsible for paying expenses from the moment of arrival—expenses estimated as high as $1,300,000. This occasionally leads to mutterings—as in the case of the Duchess of Kent's visit to Niagara Falls a year or two ago — but it's virtually always the result of a mixup in local

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The Right Honorable Vincent Massey, PC, CH. Canada's first Canadian-born Governor-General.

The Powers of the Governor-General

by Robert W. Reford

One of the most important decisions facing Prime Minister John Diefenbaker is the selection of a new Governor-General. Mr. Vincent Massey, who was appointed on Feb. 1, 1952, has now been in office longer than any of his predecessors and his term was extended for a second time, thereby enabling him to act as host to Queen Elizabeth when she arrives in Canada on June 18th.

The Prime Minister will be taking many things into consideration in selecting the man he recommends to Her Majesty as her next representative in this country. While the office is above politics, there are national political factors that no party leader can ignore; he will have to decide whether the precedent of a native son as Governor-General be continued (it has not been in Australia or New Zealand, but it has in South Africa); and, most important, he will have to assess the personal qualities of the various eligible men and their respective abilities to carry out the duties of the position.

It is now almost a standing joke that the holder of the office can say little more than "Governor-Generalities". In the public eye, his main functions seem to be those of a man who appears on appropriate ceremonial occasions, of a leader in society and of a traveller who shows himself as widely as possible throughout the country. In fact, his duties cover a far wider field.

The Governor-General today is the representative of the Queen in Canada and Her Majesty has delegated to him all her prerogative powers so far as they affect this country. The extent to which these are exercised will depend on many things, but they enable the Governor-General to have an important influence should he so desire. The recent biography of King George VI by John Wheeler-Bennett has shown that His Majesty was far from a figurehead and that his interest and advice was appreciated, indeed often heeded, by his Ministers.

Surprisingly, the complete delegation of the Royal prerogatives was made only on October 1st, 1947. Until that time, some had normally been exercised by the Crown in Canada (i.e. by the Governor-General) and others were retained by the Crown in England, acting on Canadian advice (i.e. by the Sovereign personally). In the latter category were such things as the granting of honors and the conduct of foreign relations, including the declaration of war, the ratification of treaties and the appointment of ambassadors. The Letters Patent issued in 1947 authorized the Governor-General to exercise all the Sovereign's powers and authorities in respect of Canada, on the advice of his Canadian Ministers. However, in practice this dichotomy has continued even though His Excellency now has the legal

Famous King-Byng controversy in 1926 is popularly believed to establish right to dissolution. Many experts disagree.

right to exercise all the Royal prerogatives for this country.

At the time of Confederation, the Governor-General acted in a dual capacity as representative of both the Sovereign and the British Government. The instructions to the early holders of the office still visualized their presiding at meetings of the Privy Council. Their functions in this respect diminished with the years, until the Imperial Conference of 1926 finally divorced the office from any responsibility to Whitehall.

Thus, today, the Governor-General accepts advice only from his Canadian Ministers. He might, should he desire, ask for directions from the Sovereign since he is her representative, but these would be given by Her Majesty personally in her capacity as Queen of Canada and would not be made on the advice of her Ministers in the United Kingdom.

When the Queen is in this country, the Governor-General remains Governor-General. He retains all his normal powers and continues to act in the usual way as her Canadian representative, except when Her Majesty herself carries out her duties as Queen of Canada. For example, Mr. Massey did not attend the opening of Parliament in October, 1957, because this ceremony was being performed by the Queen. However, during the impending Royal Visit, he will continue to fulfil his duties and it will not be necessary for him to refer to the Queen because she is in Canada, any more than he would if she were in another of her realms.

In point of fact, there are some things the Governor-General can do which the Queen can not, even though he is her representative. There are cases where the Statutes specify action by the Governor-in-Council, and, of course, that means His Excellency rather than Her Majesty, who would for such occasions be referred to as the Queen-in-Council.

Before her visit to Australia and New Zealand in 1953-54, both countries passed a Royal Powers Act providing that any powers normally exercised by the Governor-General could also be exercised by the Sovereign when personally present there. This has not been done in Canada.

The basis of the Monarchy as we know it today is that the Sovereign acts only on the advice of his Ministers. As the late Professor MacGregor Dawson has expressed it, "The King can do no wrong, simply because his advisers lift the responsibility from his shoulders and transfer it to their own". In Canada, the duties of the Governor-General can be broadly divided into two categories. There are, first, those which are largely automatic and in which he formally puts the seal of approval on the recommendations of his Ministers. Secondly, there are those in which he has some discretion and in which his own personality and judgment come into play. It is through this latter group that a man can leave his mark.

It is the Governor's responsibility to see that there is a Prime Minister in office to act as his adviser. This gives him the duty of inviting a man to form his Government, though in practice the choice is limited by the fact that his candidate must be able to command the confidence of the House of Commons. Thus, if a Government is defeated in a General Election, he would turn first to the Leader of the Opposition on the resignation of the Prime Minister.

However, if a Prime Minister should die in office, the selection of a successor would be in the hands of the Governor-General. This was the case on the death of Sir John A. Macdonald in 1891. In making his selection, His Excellency could consult anyone whom he feels would be able to give him advice, as did Lord Aberdeen when Sir John Thompson died during a visit to England in 1894.

The best known recent example of this type of consultation came not on the death of a Prime Minister but following his sudden resignation due to ill health. It concerned, of course, the selection of a successor to Sir Anthony Eden in 1957, at which time Queen Elizabeth consulted Sir Winston Churchill and the Marquess of Salisbury before asking Harold Macmillan rather than R. A. Butler to form a Government.

As a corollary to this, the Governor-General still has the reserve power to dismiss a Prime Minister from office. This has never been exer-

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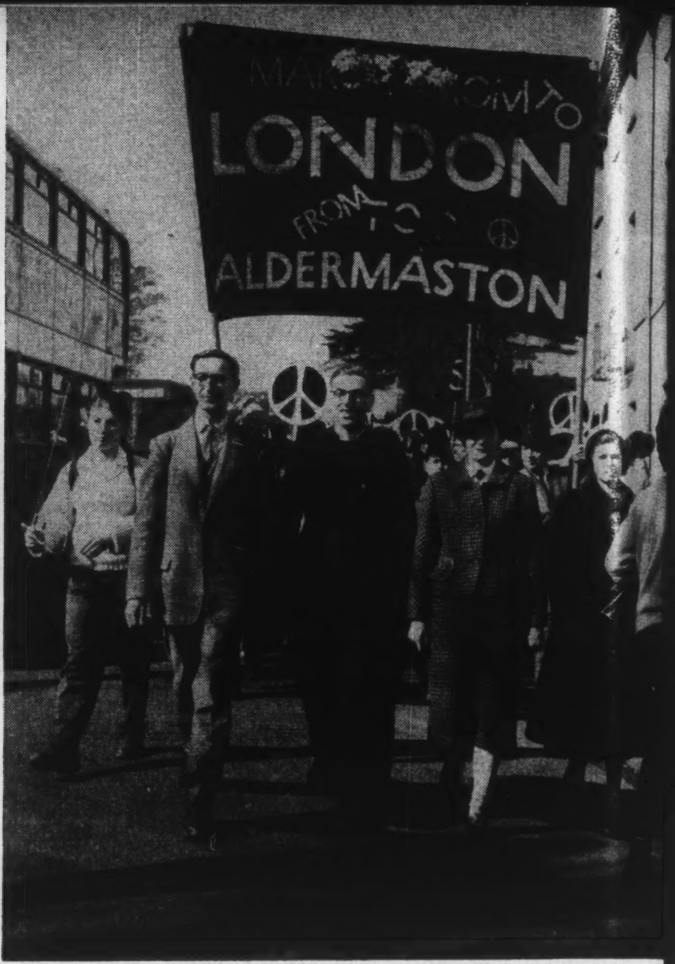
In the public eye his main functions are to travel and be seen widely. In fact his duties cover a much larger field.

Britain's Anti-Bomb Mob Becomes Respectable

by Charles Taylor



Canon L. J. Collins of St. Paul's and Miss Jacquetta Hawkes, wife of J. B. Priestley, led marchers as they left Reading. The protest is now "out of the wilderness" and may influence the government.

FROM THE BASE of Nelson's Monument, a London policeman looked out in disbelief at the sea of faces and banners filling Trafalgar Square. "Riots, demonstrations, marches — I've seen the lot," he said. "But I've never seen anything as big as this."

Like the bobby, few spectators had seen anything like the crowd of 20,000 which packed the Square and overflowed across the pavements. It was Easter Monday, and the massive rally marked the end of a four-day protest march by a stalwart band of campaigners whose prime aim is to have Britain back out of the nuclear arms race.

On Good Friday, 4,500 marchers gathered in a field outside Britain's hydrogen bomb factory at Aldermaston and then set out for London, 53 miles away. In spite of frequent rain and primitive sleeping accommodation, the hard core of marchers never dropped below 3,000—a motley but determined procession.

On Easter Monday, the march snowballed its way through London's West End, picking up supporters at every stop. In the end, it took 15,000 marchers over two hours to pack into Trafalgar Square for the final rally. Another 5,000 onlookers added to what speakers claimed was one of Britain's largest demonstrations of the century.

Reading the newspapers the next morning, leaders of the Campaign for Nuclear Disarmament concluded happily that their growing movement was half way out of the wilderness. Their program—to have Britain stop testing and making hydrogen weapons and to destroy existing stocks—was still a long way from general acceptance. But for the first time, the Campaign was widely accepted as serious and powerful, no longer merely a group of bearded and guitar-strumming cranks.

In private, Campaign leaders admit that many of the brickbats and jeers have been deserved. Only one year old, the Campaign comprises a mixed bag of churchmen and scientists, Communists and leftwing Laborites, Quakers and pacificists, actors and students. On most marches and demonstrations, the students with their beards, tight pants and guitars have led the press and much of the public to dismiss the Campaign as a gathering of frivolous eccentrics.

But this year's Aldermaston march was significant

London police, accustomed to demonstrations, reported amazement as the marchers gathered in Trafalgar Square.

for the numbers of ordinary people who rallied under the Ban the Bomb banners. With housewives, trade unionists and professional men in the ranks, students were in the minority for the first time.

Equally pleasing to the organisers—and equally disturbing for the Conservative and Labor Parties—was the number of professional and trade union organizations which came out in support of the pilgrimage. When Robert Willis, chairman of the powerful Trades Union Congress, made a surprise appearance on the speakers' platform, it gave further proof that the Campaign can no longer be treated lightly.

"Ours is too big a protest for the politicians to ignore," the Campaign chairman, Canon John Collins of St. Paul's Cathedral, told the foot-sore but jubilant marchers. "There is no stopping us now."

Sceptics point out that the Conservative and Labor Parties, the TUC and the Church of England are still a long way from advocating any unilateral British disarmament. But there is no doubt that the Campaign has come a long way from its tentative beginnings.

Organised in February last year, the Campaign for Nuclear Disarmament combined several groups in the field, notably one with the clumsy title of the National Council for the Abolition of Nuclear Weapons Tests. It also received some support from pacifist groups, the Quakers, the British Council of Churches, the United Nations Association and Labor Party leftwingers.

The great majority of Campaign workers are unpaid volunteers representing all faiths, political persuasions and occupations. There are no membership lists and the movement is financed by voluntary contributions.

"We are a non-political organisation," according to Peggy Duff, the Campaign's dynamic secretary. "Rather, we're non-party," she corrected herself hastily. "Of course we're political."

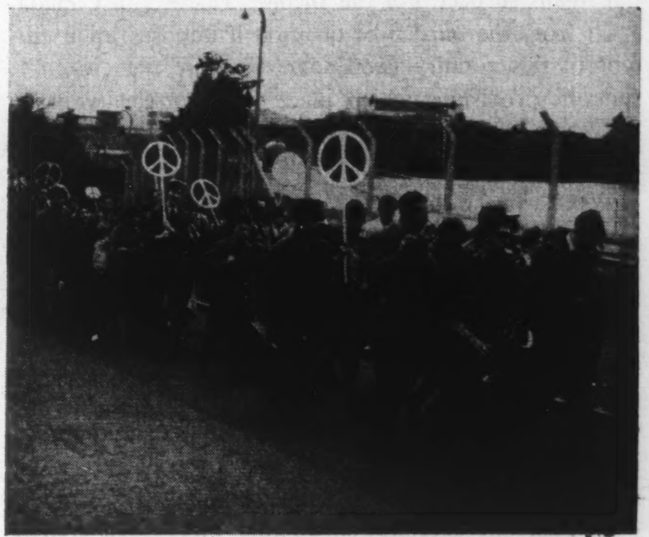
One notable exception in the anti-nuclear movement is the British Peace Committee, which has many Communists among its members and which co-operates with the Communist-dominated World Council of Peace. Communist influence in the Campaign is negligible, but a frequent source of embarrassment.

From the start, the Campaign mustered a large collection of well-known supporters, including philosopher Bertrand Russell, trade union leader Frank Cousins, military expert Sir Stephen King-Hall, author J. B. Priestley, scientists such as Lord Boyd Orr and Sir Julian Huxley, religious leaders such as the Moderator of the Church of Scotland, and artists such as Benjamin Britten and Dame Edith Evans.

These spokesmen attack Britain's nuclear arms build-up from a variety of platforms. Some, like Bertrand Russell, are most concerned with the growing incidence of bone cancer and leukemia from nuclear tests. Others repeat the familiar argument that the West, by neglecting conventional armaments, is committing itself to an all-out war. For some, it is purely a moral question, while others are worried by American rocket bases in Britain—bases which would make the island a prime target for Soviet missiles.

All agree that Britain, as the world's third nuclear power, should back out of the race in the two-fold hope of encouraging more positive disarmament measures by the United States and Russia and of discouraging other countries, especially France, from joining the nuclear club.

To this end, the Campaign has organised protest meetings, marches and film shows to publicise their cause. Their first major effort was an Easter march last year from London to Aldermaston on which about 5,000 people took part.



Music while they march. Despite students in tight pants and beards anti-bomb protest had air of respectability.

This January, the movement took a new turn when a splinter group, the Direct Action Committee, organised passive resistance outside an American rocket base at Swaffham, in Norfolk. Over 30 demonstrators lay down in the mud at the station gate and later went to jail for two weeks rather than agree to keep the peace.

Orthodox Campaign leaders disapprove of Direct Action and claim that civil disobedience is unnecessary in a democracy. "But they do make the headlines," Peggy Duff said. "And we're all in favor of that."

This year's march from Aldermaston, a combined effort by the Campaign and the Direct Action Committee, was a model of efficiency and restraint. Critics in search of the bizarre and the scandalous had little to get their teeth into.

When they gathered at Aldermaston, marchers were given leaflets telling them to keep in line, to obey police instructions, not to scatter litter and not to respond to

CONTINUED ON PAGE 46

INCOME TAX

Denial of Basic Rights

by Arthur S. Gillman

COMPLAINTS ABOUT INCOME TAX heard each year at this time have a higher moral authority than most Canadians suspect. For the Income Tax Act of Canada, apart from the burden of taxation it imposes upon citizens of this country (and some who are not citizens), contains provisions which place it in conflict with the Universal Declaration of Human Rights of the United Nations.

When we discuss the Universal Declaration of Human Rights in this country, we too often take it for granted as a document that is significant mainly for those peoples of the world who live in backward areas, shackled to the oppressive demands of primitive economies and cruel political systems. After all, exhortations such as "All human beings are born free and equal in dignity and rights" and "Everyone has the right to life, liberty and security of person" have become clichés in this part of the world. To many otherwise thoughtful Canadians the Declaration is little more than a well-organized collection of just such moral platitudes, with hardly any direct application in our free society.

But there are direct applications. Our Income Tax Act is a case in point.

Article 11 (1) of the Declaration says:

"Everyone charged with a penal offence has the right to be presumed innocent until proved guilty . . ."

In direct violation of the letter and the spirit of Article 11 (1), here is Section 46 (6) of our Income Tax Act—which, when taken with the statement of the Income Tax Appeal Board that follows, gives cause for serious concern:

"The Minister is not bound by a return or information supplied by or on behalf of a taxpayer and, in making an assessment, may, notwithstanding a return or information so supplied, or if no return has been filed, assess the tax payable under this Part."

This means that if the Minister of National Revenue—and in practice his powers are exercised by the assessors who are employed by the government to check your income tax return—thinks that you should pay such-and-such an amount in income tax for a certain year, he may, regardless of your contentions or any information to the contrary that you may supply, force you to pay it. He may issue an assessment against you according to his judgment, and if you should object to his assessment and seek remedy in a court of law, *he would not be required to prove the correctness of his estimate.* On the contrary, the onus would be on you, the taxpayer, to disprove the Minister's estimate of your income, and of what taxes you should pay!

"As has been pointed out, . . ." said the Income Tax Appeal Board in No. 153 v. M.N.R. (I.T.A.B.), "the onus of proving that an assessment appealed against is incorrect is upon the taxpayer, and when the case comes on for hearing before this Board, he must be in a position to produce proper evidence, which would be acceptable in a court of record, to show that the assessment appealed against is erroneous."

So complete is the presumption of guilt in such a case that you are compelled to pay whatever tax may have been imposed upon you in this arbitrary fashion, *even if you should decide to appeal the Minister's decision.* In their joint recommendations on the Income Tax Act for 1959, the Canadian Bar Association and the Canadian Institute of Chartered Accountants say "Canada is the only country known to us which requires prepayment of tax when the amount is in dispute." Thus it is possible that while you are in court appealing an arbitrary assessment, the Taxation Division of the Department of National Revenue could be taking collection action against you for failing to pay income tax which, it may turn out, you did not owe in the first place! Such collection action includes the possible confiscation of your assets.

Article 17 (2) of the Universal Declaration of Human Rights states that "No one shall be arbitrarily deprived of his property."

And Article 12 says:

"No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor

Arthur S. Gillman is a Winnipeg accountant who worked for the Department of National Revenue as an Income Tax Assessor and now operates a private practice in accounting and auditing.

to attacks upon his honor and reputation."

Yet it is perfectly conceivable that an innocent taxpayer could suffer an invasion of his privacy, confiscation of his assets, and an attack upon his honor and reputation, simply by the Minister's enforcement of an arbitrary assessment.

We may make two important observations here about the arbitrary manner in which an innocent taxpayer can be confronted with the expense and embarrassment of proving his innocence, having been presumed guilty "of a penal offence" by the unsubstantiated assertion of "the Minister."

First, let us ask the question, "Who is 'the Minister'?" Strictly speaking, he is the Minister of National Revenue. The Income Tax Act, apart from giving him almost scandalously sweeping powers, places a great responsibility in his hands:

"The Minister shall administer and enforce this Act and control and supervise all persons employed to carry out or enforce this Act . . ." —Sec. 116 (1).

Naturally, this is a big job, and no Minister could hope to perform it without help. The Income Tax Act gives him the assistance he needs. In Sec. 117 (1)(f) we read that the Governor in Council may make regulations

" . . . authorizing a designated officer or class of officers to exercise powers or perform duties of the Minister under this Act."

In practice, this means that the bulk of the work done in administering the Act is placed in the hands of a large staff of income tax assessors. These civil servants receive, in effect, most of the powers of arbitrary action that the Act gives to the Minister.

"A tax is a payment exacted by the authority from part of the community for the benefit of the whole". —*Samuel Johnson*

There is no doubt that this scheme makes for great administrative convenience in enforcing the Act. But convenience in administration can be an expensively purchased governmental economy—from the taxpayer's point of view. Assessor "A", whose ulcer has been aggravated by an argument with his wife over the breakfast table on Monday morning, may be more inclined to disallow the travelling expenses claimed as a deduction from his income by a certain businessman than Assessor "B", a jolly fellow with a generous disposition. Neither of them could be accused of wrong behavior in discharging his legal responsibilities. Assessor "A" could estimate John Doe's income for 1958 by the Net Worth method, ignoring Mr. Doe's objections (however plausible), and put him to the expense of proving in a court of law that his business affairs are not exactly as Assessor "A" guesses they are; Assessor "B" could simply accept Mr. Doe's explanations at their face value. Both of them would be "right".

The second point is this: Since our Income Tax Act relies so heavily upon the device of Ministerial discretion—which means, as we have shown, the discretion of individual assessors who, being human, own their share of humanity's foibles and prejudice—it is bound to be highly obscure in some places. Now everyone who must pay income tax has a right to know what he can and what he cannot do where his behavior concerns the Income Tax Act. And where these rules for his conduct can be decided in different ways, depending on who decides them and on what the circumstances of a given case may be, each taxpayer has a right to know in advance what the consequences of a certain line of his behavior will be.

Will this transaction be deemed "an adventure in the nature of trade"? Will that transaction be deemed an "arm's length" deal? If the taxpayer cannot receive clear-cut answers to such reasonable questions, he is, in effect, being made to obey laws whose very existence he cannot know.

That is exactly what happens. The Income Tax Office refuses to give rulings in advance on sections of the Act whose operation depend largely on the discretion of an individual assessor. The very existence of such an incredible situation violates at least Article 7 of the Universal Declaration:

"All are equal before the law and are entitled without any discrimination to equal protection of the law."

Is it possible to obtain equal protection before a law deliberately made so obscure? If you simply cannot find out in advance how the law applies to you, how can you be sure that you will always receive "without any discrimination . . . equal protection" before the law?

While the moral authority of the Universal Declaration of Human Rights can hardly be disputed, its legal authority may be questioned by some. There are some publicists and jurists who hold the view that the Declaration has legal authority, or at least is not entirely devoid of legal force. They argue that the Charter of the United Nations is a legally-binding treaty under which all member states "pledge themselves to take joint and separate action" to promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion" (Article 55 and 56). The term "human rights" is not defined in the Charter; however the Universal Declaration of Human rights gives it an authoritative interpretation. To the extent that member states are bound by the human rights provisions of the Charter, so they are obliged to observe the Universal Declaration.

It may be mentioned, too, that the Universal Declaration of Human Rights was adopted by the General Assembly of the United Nations (which includes Canada) on December 10th, 1948—without a dissenting vote.

INCOME TAX

How It Got That Way

by W. G. Leonard

THE PRESENT CONDITION of Canadian income tax law and practice may be illustrated fancifully, but realistically, by showing that it is the child of a mixed marriage.

Its paternity is unquestioned and unquestionable. The common law of Great Britain governs that of Canada, except in circumstances where the statutes of Canada alter its provisions. It remains the final determinant of innumerable moot points as they arise. The judges of our courts largely ignore, when they do not scorn, the jurisprudence of the United States and others. We derive from Great Britain elements of flexibility, in addition to some quaint anachronisms, in our law of income tax.

Canadian income tax law inherits from its mother's side an irresistible tendency to obesity. While it cannot match the massive girth of the Internal Revenue Code of the United States, it gains steadily in corpulence, year by year. A trend towards widespread codification of the law with all the problems of added rigidities is readily discernible. Some students of the Canadian scene (this writer among them) view this tendency towards detailed codification with growing alarm.

We live in an industrial and commercial economy. We talk of freedom of enterprise, which concept embraces the right of individuals to enter into an enterprise or to discontinue it; the right to buy new holdings or to sell existing holdings; the right to leave one's interests to one's heirs subject to payment of succession and estate duties.

The efficient operation of a free and flexible economy depends upon a standard of valuation of business enterprises that is fair and reasonable. Should a man sell his business enterprise or continue to operate it? Should an investor buy or sell shares? What is the fair value of an estate for death duty purposes? The answers to these and many other questions depend upon the valuation of each business enterprise as a continuing or going concern.

Writers in the field of business valuations point out that there is only one criterion of value of a going concern; the test of profitability. That concern is valuable which may reasonably be expected to earn income in future years. That concern is worthless for which no reasonable expectation of adequate future earnings exists.

Hence, in any analysis of the impact on our economic and social structure of Canadian income tax law, we must pay special attention to its influence, for good or ill, on the determination of yearly incomes of business enterprises. This is a problem of central significance beside which many other interesting considerations are relatively marginal.

The history of Canadian income tax commenced with the Income War Tax Act of 1917. Jurisprudence affecting its operation was virtually non-existent for many years. Reported cases from 1920 to 1948 are contained in three slim volumes which altogether do not take much more space on the book shelves than each of the yearly volumes which have followed from 1949 to the present day. We may well ask, "Why did the Canadian income tax go legalistic in 1948?"

The legislation seems to have started with the general idea that "anyone knows what income is". Such disputes as did arise concerning the amounts of yearly determinations of income were settled by a process of informal negotiation known as the exercise of Ministerial discretion. Reports of published cases dealt with the question of whether taxpayers were taxable and not with determinations of the amounts of taxpayers' incomes.

Dissatisfaction with the exercise of ministerial discretion focussed on two of its attributes, namely lack of publicity and lack of uniformity.

Unless rules are published, only those taxpayers who have participated in special deals will be aware of them and will be in a position to enforce their rights.

In a far-flung country like Canada, with numerous income tax districts, complaints became increasingly

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W. G. Leonard, well-known as the Director of Professional Courses of the School of Commerce and Business Administration at Queen's University, also maintains a private practice as a tax consultant.

numerous to the effect that discretions exercised in some parts of the country were markedly different from discretions exercised in other parts of the country. It was widely urged that steps be taken to make the law certain in its application and to make it uniform from coast to coast. Legislation enacted in 1948 deferred to the ground-swell of dissatisfaction that had developed concerning ministerial discretions and made a valiant effort to root them out and replace them by a rule of law. A poor man's court, the Tax Appeal Board, also was established.

This writer has pored through the volumes of jurisprudence published since 1948 in an effort to obtain a clear impression of the attitudes of the tax courts, the true meaning of the tax legislation and the direction in which our tax system is moving. One is greatly impressed by the absence of a clear-cut philosophy concerning the meaning of "income for the year". The findings of modern accounting theory are, for the most part, flatly rejected when they are not ignored.

In modern accounting theory, the following doctrines are basic.

1. One calendar year is a short period of time in the life of a business enterprise.
2. Measurements for one year's length can only be made by artificially cutting into a continuous stream of incomings and outgoings. The cut-off, from its nature, is artificial, tentative and provisional. Estimates or allocations must be made promptly that will be subject to subsequent correction and adjustment in the light of events that cannot be accurately foreseen at the year-end.
3. The fact that one year's measurement is, at best, a rough and provisional approximation does not greatly matter. The nature of the process ensures that under-estimates or over-estimates will be locked into the accounting process and will turn up in later years as over-statements or under-statements of income of later periods. Therefore, the possibility of revenue losses to the taxing authorities depends entirely on changes in tax rates not in the method of year-end cut-off which a taxpayer adopts.
4. The golden rule for yearly income determination is year-to-year consistency of method. In other words, when we show an increase this year over last year, this should indicate (a) greater volume or (b) higher price. Similarly, a decrease should indicate (a) smaller volume or (b) lower price. Changes in figures should reflect altered conditions, not inconsistency in accounting method.

> **"When there is an income tax, the just man will pay more and the unjust less on the same amount of income".**
> *—Plato*

From the viewpoint of the business community, any realistic income tax law needs to be designed, first of all, to recognize and make due allowances for the provisional and tentative nature of yearly determinations of business incomes. The practice of enforcing pointless and irritating transfers of amounts of earnings from year to year at the whim of tax assessors should be minimized.

Of course, taxpayers may fairly be required to demonstrate that,

(1) any accounting method that they use is fair and reasonable, having regard to their circumstances and the common practices of the trade or industry, and

(2) having adopted a method, they are applying it and intend to apply it consistently from year to year.

Canadian legislation grants to tax assessors a presumption of validity for their assessments. Regardless of how fair and reasonable a taxpayer's methods may be, the tax administration has the legal right to change the amounts of reported income in accordance with another method which they prefer. If the taxpayer does not wish to change his method, he has only the right of appeal.

A new section of the Income Tax Act (section 43A) was enacted in 1958 which, in effect, permits the Minister to enforce an inconsistent method of inventory pricing and permits the taxpayer to pay tax at a special rate on any enforced increase in the amount of a year's income determination arising out of an enforced inconsistency.

An appeal is a formal law-suit. The taxpayer comes into court, as plaintiff, suing the Minister for wrongful imposition of tax. He can win only if he proves the Minister wrong; if the proof is inadequate, the case is thrown out and the Minister wins.

In other words, a taxpayer cannot win merely by proving that his own methods were reasonable. The Minister can always force him to change to an alternative method and the taxpayer cannot hope to upset it.

The legislation as it stands is subject to internal inconsistencies. In some areas, it permits considerable latitude; in others, it tries to spell out deductions in minute detail. In the absence of any mature or reasoned philosophy, it is difficult to foresee how the undesirable drift towards detailed codification can be halted.

Objections to detailed codification include,

(1) enforced inefficiency in business administration arising out of undue preoccupation with tax problems, and

(2) a proliferation of needless and uneconomic litigation over small and unimportant distinctions.

In practice, the potential disadvantages for many taxpayers are minimized for the reason that assessing practice tends to be more liberal and flexible than the

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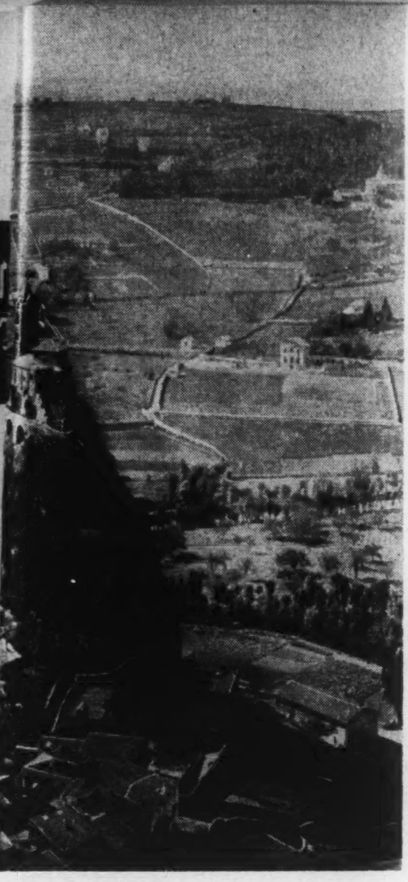

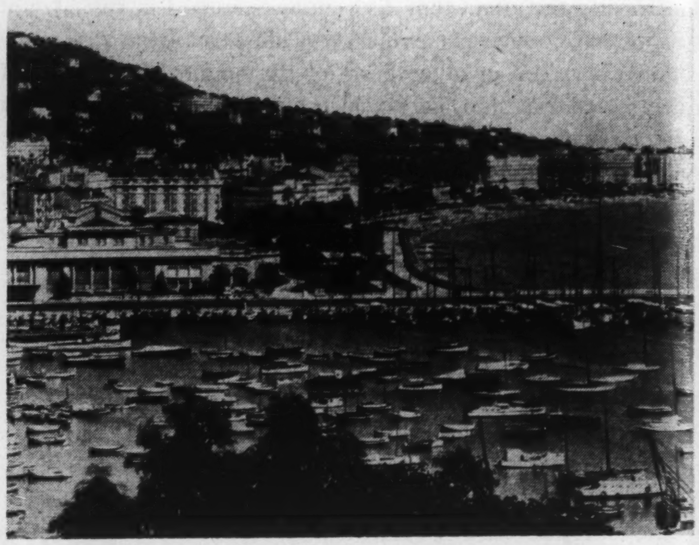

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France: Provence and a Poem

by Robert Hollier

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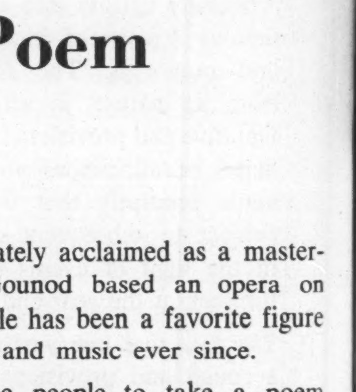
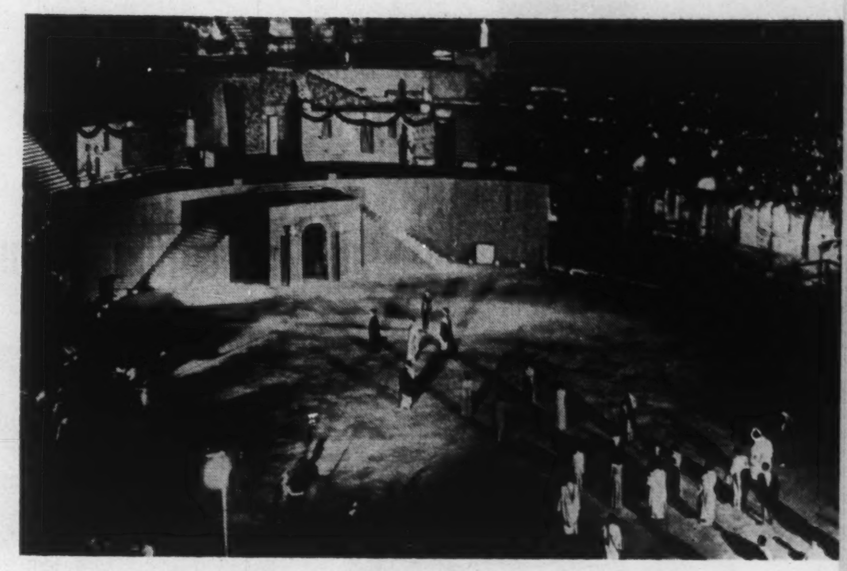
The French are not the people to take a poem lightly—especially if they can not only honor the poem, but use it to help the balance of trade. And, as their 1959 tourist literature found its way into the travel offices of the world, it was found to have given itself over wholeheartedly to flowers and flower-girls. Even the driest lists of tourist information this year are surrounded in the pamphlets by reproductions of Van Gogh's sunflowers, or carefully detailed drawings of French plants.

The fuss about the flowers starts in Paris, where, from April 24 to May 3, the world's biggest exhibition hall will be given over to a flower show which will gather "specimens of all the flowers of the Earth". There will be flowers from all over Europe,

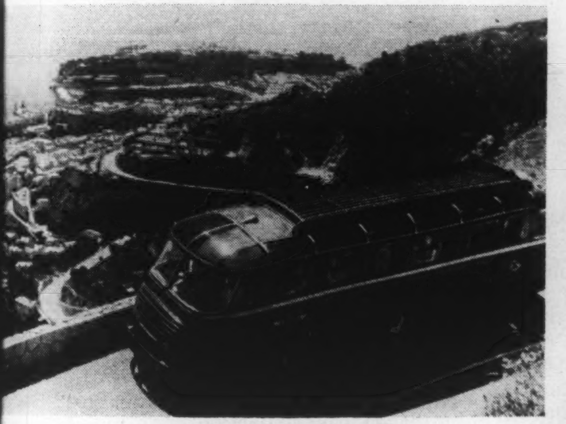


Although tiny by Canadian standards, Provence offers nearly 40 Mediterranean bathing resorts, the world's most lavish hotels.

Main landmark of Marseilles is famous Notre Dame de la Garde overlooking Mediterranean.



In the 2,000 year old outdoor arena in Arles where the legions of Rome cheered gladiators, moderns thrill to music and art festivals.



Bus tour of panoramic Riviera coastline is economical, inclusive half-day excursion.

Nice is the largest of the Riviera resorts. The famous Promenade des Anglais is a popular attraction. Horse-drawn fiacre serves as leisurely taxi.

The arenas of the ancient Roman city of Arles still stand, are used in summer for festivals and bull fights. Vincent Van Gogh did much work in romantic Provence.

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A stage adaptation of Mireille will be held at Saint-Remy in June or July, and the National Congress of Folklore Groups will stage a tribute to the poem at Arles September 5 and 6. Just about every village in Provence will hold some special celebration of the poem, and it is unlikely that any Canadian will be able to pass through Provence this summer without stumbling across Mireille somewhere.

As a matter of fact, Provence is alive with festivals and festivities all through the summer. For example, May 24 and 25 the little town of Saintes-Maries-de-la-Mer, right at the mouth of the Rhone, holds a pilgrimage for gipsies who come to venerate St. Sarah, who is supposed to have come ashore at this village. This year, in addition, Saintes-Maries-de-la-Mer will hold its own "Tribute to Mireille" on July 20.

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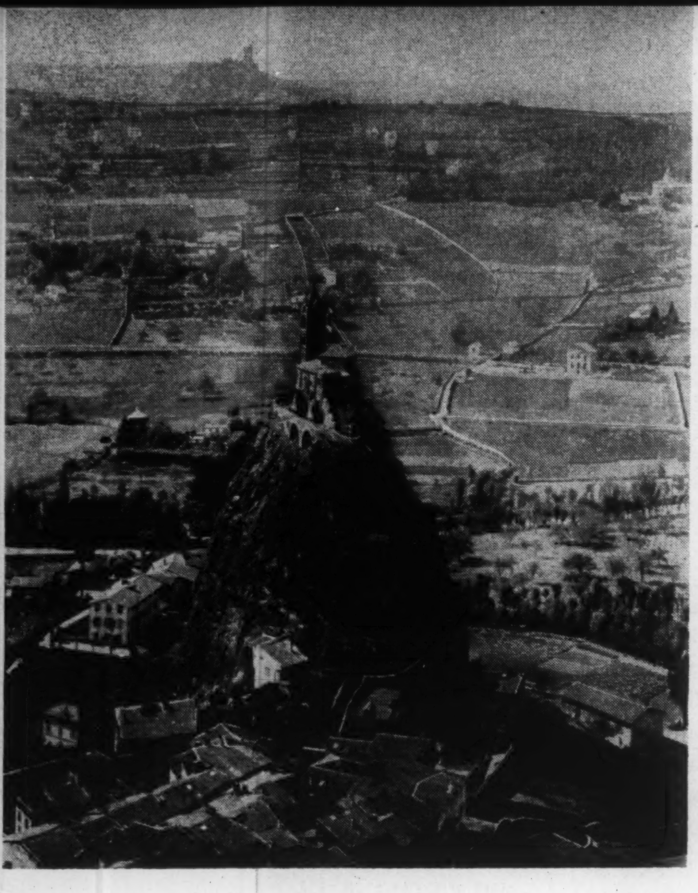

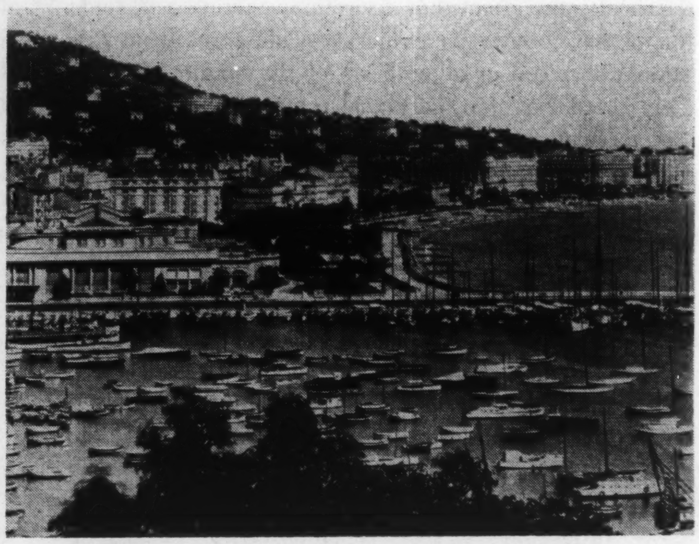

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ONE OF THE THINGS visitors like about the French is that they love to celebrate. They'll celebrate anything: and the festivals, feasts, parades and parties of celebration that are a regular feature of French life act as a magnet to all tourists, including Canadians.

Last year, more Canadians visited France than ever before. The major celebration was the centenary of Lourdes. This year there is no occasion quite so spectacular but this hasn't stopped the French. This year they have decided to celebrate a poem.

The poem is 100 years old, and as a matter of fact it wasn't even written in French. It's a poem about a flower-girl in Provence (now one of the major tourist areas) and later it was made into an opera.

The French this year are celebrating the centenary of the poem *Mireille,* written by the Provencal poet Mistral in 1859. A hundred years ago, a number of poets in Provence were trying to revive the old southern "langue d'oc", a language whose relation to French is roughly equivalent to that between English and the tongue still spoken in Wales.

It was a romantic idea and not very practical but the long poem written by Mistral, one of these poets, about the love of a flower-girl, Mireille, for a young man, Vincent, was immediately acclaimed as a masterpiece. Five years later, Gounod based an opera on Mistral's poem—and Mireille has been a favorite figure of French classic literature and music ever since.

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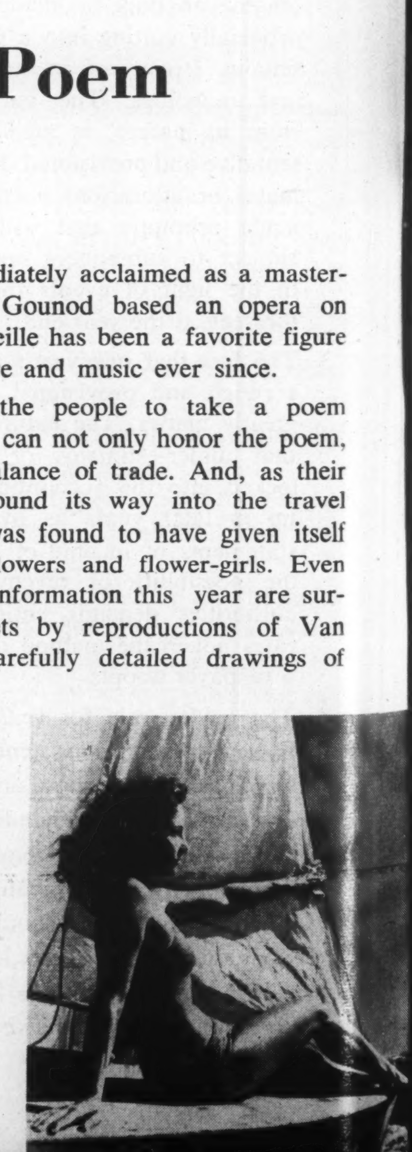

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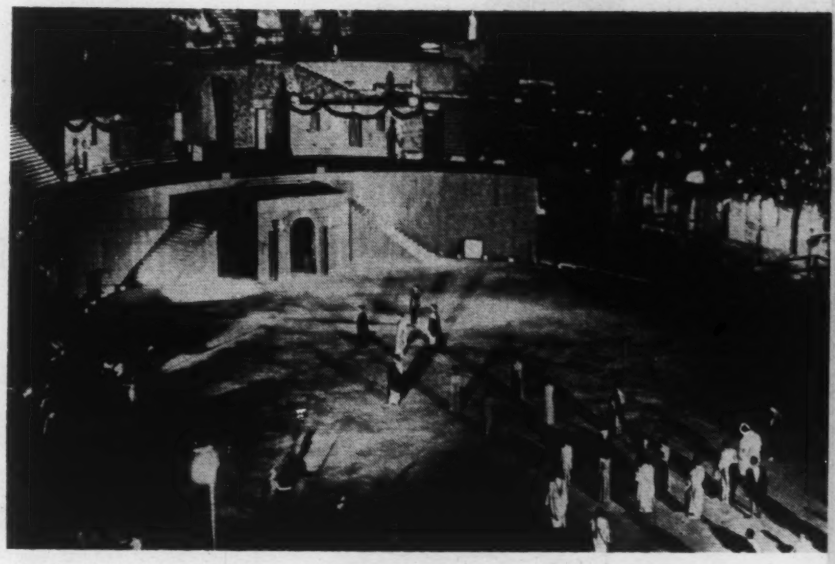

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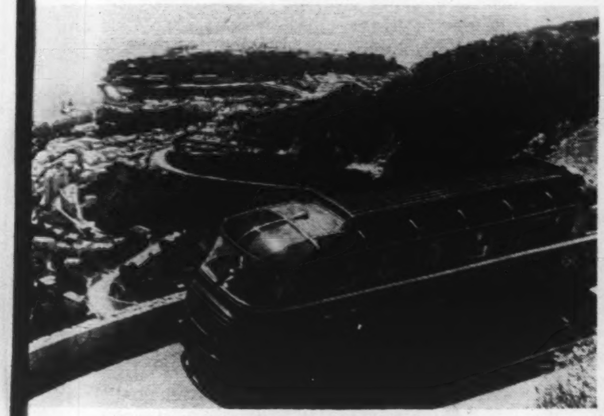

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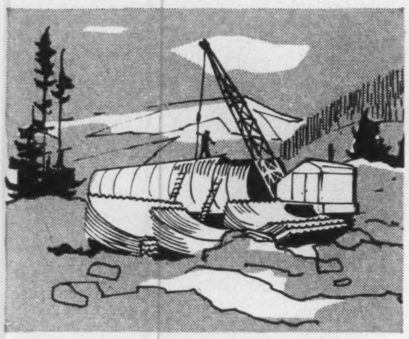
Creative engineering from **ARMCO**

A report from the Head Office in Guelph, on building highways . . . beefing up bridges . . . cutting costs



How Modern Methods Conquer Rockies

One of the nation's most remarkable engineering feats, the five-mile-long Connaught Tunnel, pierces Mount MacDonald in the Canadian Rockies. It was built by the Canadian Pacific Railway to avoid severe snow and "slide" conditions found in nearby Rodgers Pass and to reduce grades.

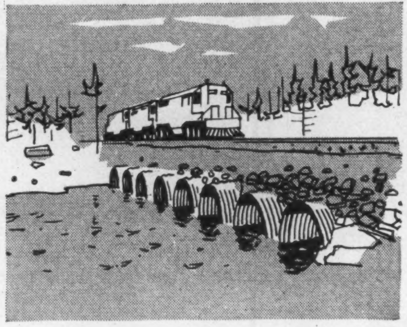
Today, modern engineering methods utilizing Armco MULTI-PLATE® Pipe, are cutting a new western section of the Trans-Canada Highway through the Rockies.

And the highway is taking the Rodgers Pass route our forefathers shunned.

Engineers supervising the project specified structural plate pipe for three reasons. First, they were convinced of its ability to withstand the heavy loads and high fills imposed by mountain terrain. Second, the use of structural plate pipe speeds up construction . . . cuts costs. Third, it is available in convenient sizes of up to 12 feet in diameter.

And Armco MULTI-PLATE Pipe was used . . . because it meets these standards . . . and more.

Let Armco help you do a better job that lasts longer, costs less—with Armco MULTI-PLATE Pipe.



How Armco Lowered Maintenance Costs

In 1952, the Iron Ore Company of Canada began a program to push a 365-mile railway through the rough, rugged, Labrador terrain.

Two years later the Quebec North Shore & Labrador Railway was carrying ore steadily to the shipping point at Seven Islands.

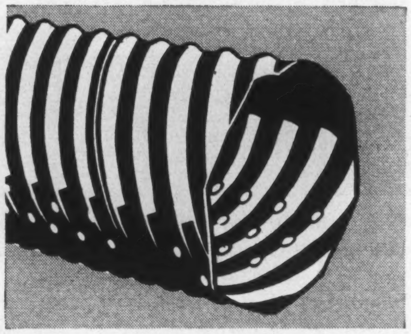
Then a critical problem arose.

One hundred and twenty-five-car trains pounding over the line's timber trestle bridges meant bridges required continual maintenance. The problem: how could the many timber trestle bridges be eliminated . . . maintenance costs reduced . . . and the line, at the same time, be kept open?

Armco Construction Services were called in. And an Armco-planned program adopted. It called for the installation of a battery of 102″ diameter Armco MULTI-PLATE structures to replace timber trestle bridges.

Today, this job is being accomplished without interruption of traffic. Bridge maintenance is being eliminated, schedules kept.

Once again, Armco provided the economical, lasting solution to a difficult problem.



How to Cut Rising Construction Costs

Today, more and more engineers and construction men facing drainage problems are meeting rising costs and tighter estimates.

To help them solve this problem, Armco has linked modern-day automation with their creative engineering and "know how". The result: Armco HEL-COR® Pipe—ideal for subdrainage systems and eliminating frost heaving of road surfaces.

How does Armco produce this strong, long-wearing pipe at lower cost?

First, automatic Armco machines—created by Armco Engineering—work continuously to produce Armco HEL-COR Pipe. This means it is available to you at greater economy.

Second, a unique "one step" process gives Armco HEL-COR pipe its tough, long-lasting qualities. This process, whereby corrugations are formed helically around the pipe instead of at right angles, also automatically folds and locks a continuous helical lockseam joint.

Last, but not least, Armco Galvanized HEL-COR Pipe is asphalt-coated. This gives it longer wearing, greater lasting qualities.

Next time you approach a drainage project, check with Armco. Chances are, they'll have the answer to your problem.

For full information on these and other quality Armco Construction Products, write to Armco Drainage & Metal Products of Canada Ltd., Guelph, Ontario.

To serve Canadians . . . **ARMCO** *creates the finest steel construction products!*

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Ottawa Letter

by Edwin Copps

Sanity Replaces Vanity

WHAT MADE the headlines in Finance Minister Donald Fleming's 1959-60 Budget was, of course, the personal and corporation income tax increases, the excise hikes on cigarettes, cigars and liquor, and the bigger deductions for old age security. These were the points of the budget's immediate impact on the taxpaying public and, inevitably, they got the immediate and maximum attention.

But the changed tax schedule was just a quickly-grasped external effect of Fleming's and the Diefenbaker Government's budget. More significant, even if less eye-catching, was the economic philosophy on which the new budget was based. Although he buried it 22 pages deep in the traditionally long-winded budget address, Finance Minister Fleming summed up this philosophy clearly and well.

"We must look forward to a time," said Fleming, "when prosperity and employment will allow a balanced budget and when we can also make proper provision for an orderly retirement of debt.

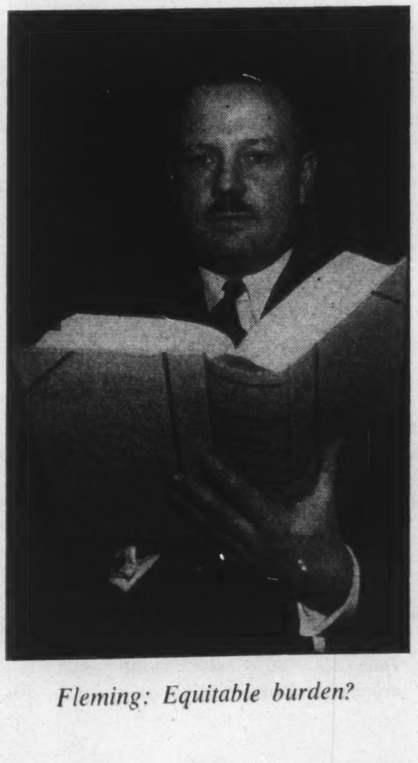
"We have not yet, however, reached that stage. Recovery is gathering momentum, but it would be unwise at this juncture to change our course so abruptly as to hamper the forces of expansion. I believe, however, that there should be some narrowing of the budgetary gap. If, under the greatly improved prospects of today, we were to continue to run deficits on the same scale as last year, we would, in my judgment, run serious risk of building up an inflationary potential which could prove most difficult to keep under control a year or so hence.

"Appropriate steps in the direction of balancing the budget are also desirable in order to reduce the heavy pressure of new federal borrowings on the bond market . . . The Canadian bond market has not been accustomed to absorbing as large a volume of new Government of Canada bonds as we have had to offer during the past year . . . It is desirable, therefore, under present circumstances to move in the direction of reduced federal borrowing, in order to reduce pressure on the interest rate structure.

"In formulating my proposals (for tax increases) I have made every effort to spread the increased burden in a pattern which is fair and equitable and will not weigh too heavily on any one section of the community . . . The measures which I propose are designed to safeguard the credit of the country, the soundness of our currency, the development of our resources, and the security of our economic future."

It is a comparatively simple matter, of course, to proclaim a sound economic policy like this one to the packed House of Commons galleries on Budget Night. It is something else again to stick to that policy across the country against all the tugging and hauling of politics for the other 364 days of the fiscal year. Nevertheless, the mere statement of an orthodox fiscal credo by the Diefenbaker Government is a fresh and hopeful development.

To date in its career, the Tory administration has based its fiscal policies almost entirely on political considerations, spending money and running up the national debt with little concern for any consequence but the government's popularity ratings. Taxes were cut when they should not have been because an election was coming on. Disproportionate and unrealistic boosts were made in social security payments with no funds in reserve to meet the added cost. Foreign aid outlays



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were raised for no other good reason than to flatter the country about its role in Commonwealth and international affairs. Meanwhile, federal payrolls swelled with more employees and subsidies and handouts were dispensed as though the treasury were bottomless. The sad truth was that bottom had already been scraped. Much of Ottawa's largesse was borrowed money, so much so that the deficit in the last fiscal year ran to $617 million, the biggest peacetime imbalance in our national history.

The key fact of the Fleming budget is that this costly popularity contest that has been waged in Ottawa for the past two years is now at an end. The decisions to charge the public realistic rates for social security services, to levy taxes that approximate the costs of government and to aim for a balanced budget in the near future all are cheering signs that sanity has at last replaced vanity as the prime motivation of the present government.

No administration—least of all one that is managed by such an astute politician as John Diefenbaker—can completely ignore political considerations. But the Tories are in a better position now than any Canadian Government ever has been to reduce political expediency to a bare minimum. The party holds a record 210 seats in the Commons and, if public opinion polls are to be believed, the voters' good-will toward the Diefenbaker Government has never been higher. The Tories can afford to be tough-minded and businesslike in their management of the nation's affairs. The 1959-60 budget offers encouraging evidence that this will be their policy in the year ahead.

There was, however, one worrisome inconsistency in Finance Minister Fleming's long review of the nation's economic outlook. It occurred when he was warning about rising production costs.

"Rising costs and continuing price increases spell inflation," said Fleming. "They weaken our competitive position at home and abroad and thereby reduce the possibilities of useful and productive employment. They divert effort from productive pursuits to the wasteful processes of speculation, from which in turn flow economic maladjustment and decline. More than this they impose severe burdens on those with fixed incomes and those least able to protect themselves. They lead to an unequal sharing of the fruits of progress and frustrate the just expectations of toil."

Unfortunately this eloquent plea for cost-cutting was addressed only to private industry. Governments, in Ottawa and the provinces, spend nearly 20 percent of the gross national product. Their costs are spiralling as fast or faster than any other segment of the economy and the Finance Minister's hold-the-line warning could have been profitably extended to them as well.

Records

by *William Krehm*

Beethoven: Sonata for violin and piano Nos. 2, 3, and 8 (Opus 12, Nos. 2 and 3, Opus 30, No. 3). Arthur Grumiaux, violinist, and Clara Haskil, pianist. *Epic LC 3488.*

Clara Haskil is one of the great tragic figures of the contemporary musical world. A Rumanian by birth, she taught her young countryman, Lipatti, but her own great gift went doggedly unrecognized outside Switzerland where she made her home. When she came to America on tour a couple of decades ago, she did so badly at the box-office that she found herself stranded in Chicago.

It was only three years ago that the British public and critics awoke to a fact what a few keen-eared musicians had long known—that Haskil was one of the really great pianists of our age. An American tour was immediately organized, but by that time age and arthritis had already crept up on her, and it had to be called off. For the surfeit of wax in its ears, America seems condemned to know Haskil's art only from a few records. On this disc her wonderful delicacy of perception is almost but not quite matched by Grumiaux. Performance excellent. Recording good.

Johann Kuhnau: Musical Presentations of Biblical Stories. First Sonata: David and Goliath, Third Sonata: Jacob's Marriage. Fourth Sonata: Hiskias Illness and Restoration to Health. *ARC 3095.*

Johann Sebastian Bach is most grandly represented by his church music, but Kuhnau, his predecessor at St. Thomas School in Leipzig, lives on primarily for his delightful musical Sunday School. These are harpsichord sonatas based on Bible stories. These are tales a thousand times retold, but never before or since with the peculiar charm of Kuhnau's telling. In the David and Goliath Sonata you hear the hectoring of Goliath, the trembling of the Israelites (over the chorale "From Deepest Need I Cry to Thee"). You can trace the trajectory of David's liberating stone, the thud of the giant and his last writhings. When Laban slips the wrong daughter into Jacob's bridal bed, the harmonic progressions betray the deception. It used to be the fashion in books on music to describe this early program music of Kuhnau as naive. You might as well put down a Giotto painting as crude and primitive.

Fritz Neumeyer, Germany's leading Harpsichordist, turns in a superb performance. Under his touch the harpsichord—that can sound like a box of clatter—acquires warm breath. A gem of a record.

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Puzzler

by J. A. H. Hunter

"ARE YOU GOING to help me with the dishes?" asked Betty.

"Sure," replied Doug. "But do you know men are breakers."

"A fine excuse!" his wife laughed. "Who gave you that idea?"

"Ruth in the office," Doug told her. "We've started a tea club and she had it all figured out. A tea-pot at two dollars forty-nine, and some mugs at thirty-one cents. It's a long story."

"Go on," Betty pressed him. "Those managing women intrigue me."

"Well," continued Doug. "She made us all contribute to provide the exact amount to buy those things. Girls had to give only a dime each, but we men had to pay two quarters each. Ruth said we're the ones who break china."

"Maybe she's got something there," said Betty. "How many are there in your club?"

"Twenty-seven or twenty-eight." Doug didn't seem quite sure.

One of those totals was correct. But which? (99)

Answer on page 48

Chess

by D. M. LeDain

DID SHAKESPEARE understand chess? He makes only one clear reference to the game in a stage direction for "The Tempest" where "Ferdinand and Miranda are discovered playing at chess".

M.: "Sweet lord, you play me false."
F.: "No, my dearest love, I would not for the world. Yea, for a score of kingdoms you should wrangle and I would call it fair play."

Similes appear in other passages. Vexed Katy in "The Taming of the Shrew":

> *"I pray, Sir, is it your will*
> *To make a stale of me among these mates?"*

The Earl of Kent in "King Lear":

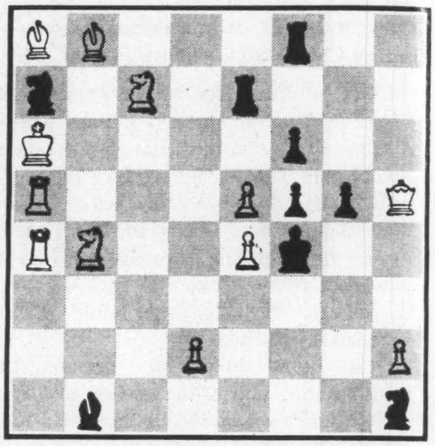
> *"My life I never held but as a pawn*
> *To wage against thine enemies."*

Contending Elinor (to Constance, mother of Arthur) in "King John":

> *"Out, insolent! thy bastard shall be king, that thou mayest be a queen, and check the world!"*

Solution of Problem No. 216 (Eaton). Key, 1.B-Kt7.

Problem No. 217, by M. M. Barulin. White mates in two. (12 + 9)



Crafty First and Last

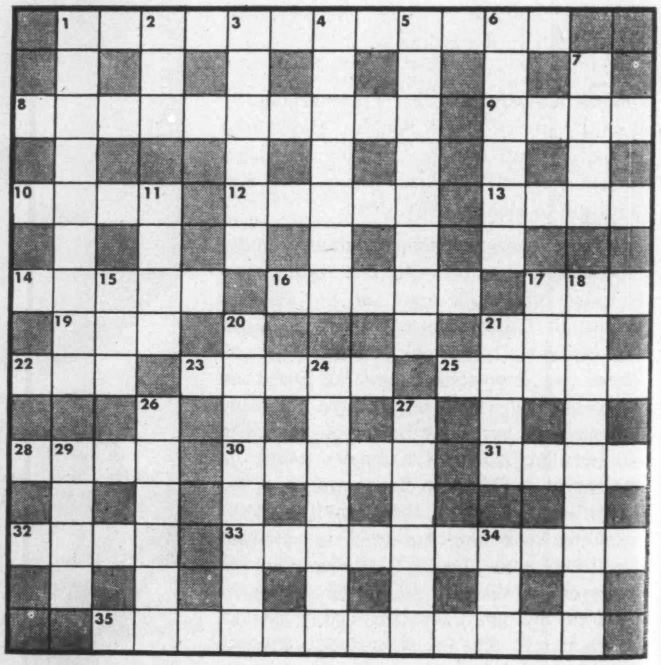
by Louis and Dorothy Crerar

ACROSS

1 The craft of Hitler? (12)
8, 12 Brazil, for instance, may supply us with a problem. (1, 4, 3, 2, 5)
9, 22 A crew cut might thin them out. (7)
10 Do get in or raise a 16. (4)
12 See 8.
13 Is it Mary Baker or Nelson spinning in the water? (4)
14 The Magi came by sea, by the sound of it. (5)
16 The patron saint of fountain pens? (5)
17 The jobs that are not even jobs. (3)
19 Return the fruit of 8, 12. (3)
21, 7 Angry country? (7)
22 See 9.
23 See 32. (5)
25 Ivy got up in the world and how! (5)
28 Piece of land 29 turned over. (4)
30 It's nearer hell than heaven, and I'm in the middle. (5)
31 See 32. (4)
32 Caro Nome is one that only a high 23 can 31. (4)
33 Suitable neckwear for landlords? (10)
35 P.S. (12)

DOWN

1 Heated dry will leave no water. (9)
2 Almost a remedy for a dog. (3)
3 Can air be the root of medicine? (6)
4 Alfresco theatrical troupe not wanted at home? (7)
5 The high charge of electricity could be, quite! (8)
6 Die, bum, you're saturated! (6)
7 See 21A.
11 Takes a bow when the sun shines. (4)
15, 9 Does it shoot the rapids? (7)
17 It's a bit of a bore, you know! (3)
18 He needs support. (9)
20 A 12-up, and it's all up inside. (8)
21 She embraced her pupil. (4)
24 Console a Canadian painter. (7)
26 Curses! 2 must . . . . of it. (6)
27 Jacket to wear to a Spanish dance? (6)
29 It would be thoughtless to take less. (4)
34, 9 The craft of Annie. (7)



Solution to last puzzle

ACROSS
1 Clapboard
6, 21 Landladies
10 Riata
11 See 21
12 Flodden
13 Inexact
14 Weaned
15 Gopher
16 Red hot
19 Enlace
23 Account
24 Pyjamas
25 In the know
26 Ideal
27 Soda
28 Carpenter

DOWN
1 Carafe
2 A la mode
3 Boarding houses
4 Aligned
5 Downing
7 Animate
8 Digits
9 Pineapple juice
17 Excited
18 Titanic
19 Empower
20 Comment
21, 11 Ladies-in-waiting
22 Ashlar (466)

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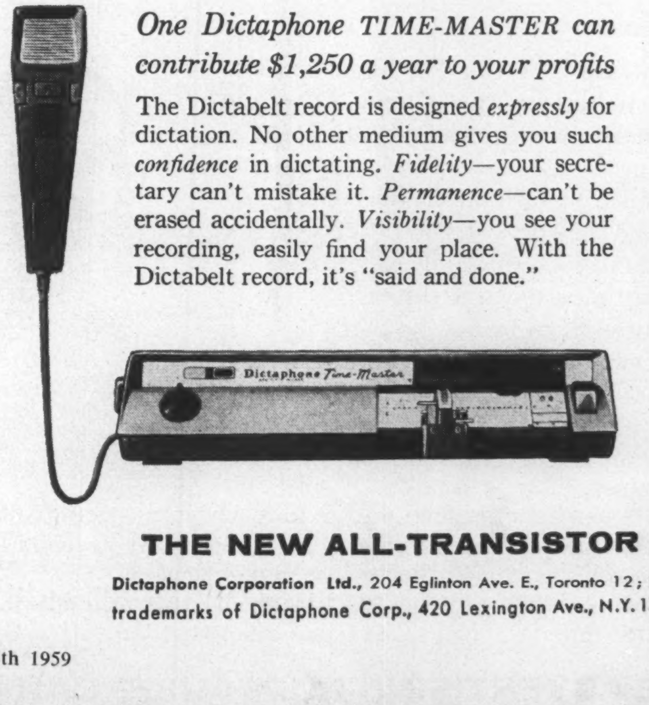

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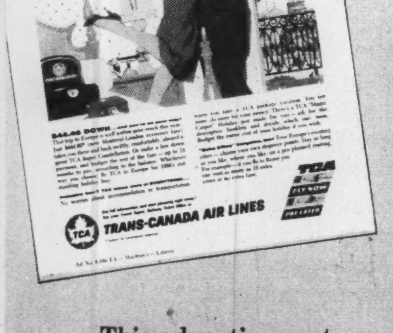
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Books

by Lincoln Spalding

The Legal-Horror Story

It is the pity and mystery of human life that is more interesting to Judge Bok than due process of law and the hideousness of capital punishment.

YOU HAVE TO HAVE a pretty strong stomach to read *Star Wormwood* by Judge Curtis Bok, for it is a highly imaginative and yet grimly realistic account of a sensational crime. Roger Haike, a youth involved in one blind panic lasting perhaps ten minutes, did things which brought him to trial for rape, murder and cannibalism.

Judge Bok, who is a member of the Supreme Court of the Commonwealth of Pennsylvania, is emotionally involved with his story and so his book packs a tremendous wallop. Roger Haike, a fictional name for an actual person upon whose case the story is founded, was an unwanted child brought up by an inhibited maiden aunt. The year he left school, she died. He was left without money, without friends, without a job and without a place to live. In the bitter weather of the depression-ridden winter of 1930, he went so far as to snare rabbits to get something to eat. But other people were in just such desperate straits for food as Roger Haike, and as the severity of the winter increased, the rabbits disappeared.

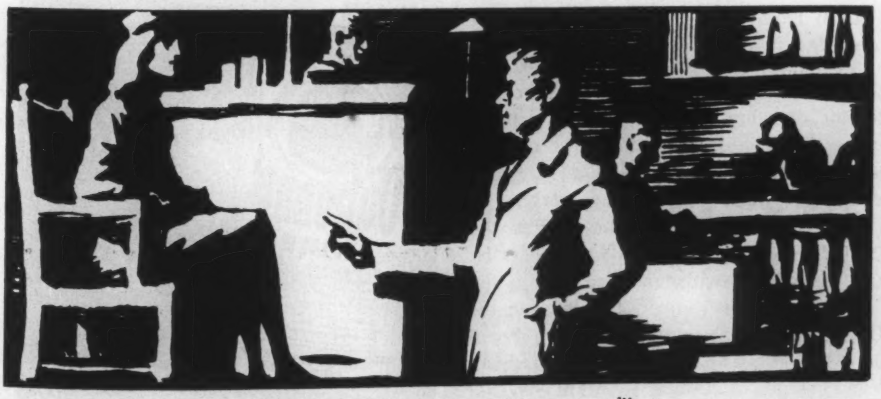
When he was starving, almost insane from loneliness and on the verge of utter physical and mental collapse, he was offered the job, by his former high school principal, of stoking the school furnace.

He had only been doing the job for a day or two when, one evening, a girl whose brother he knew well rushed into the furnace room, having been sexually assaulted by her brother, and collapsed in hysterics. Haike thought he would lose his job if he was found with a girl in the boiler room, especially if she was making a scene. Because the job meant so much to him (he had two days still to go to payday and a proper meal) he tried to quieten her screams and in his frenzy, throttled her. To get rid of her, he tried to put her in the furnace but, not having eaten for five days, he was not strong enough and she fell half-burned onto the boiler room floor. Haike scorched his fingers in handling the burned corpse; when he licked them to soothe them, the charred flesh tasted good. In his crazed, over-wrought, starving state, he began to eat the rest of the dead girl's arm.

In seconds he came to his senses, realised what he had done, was violently sick and rushed screaming out of the boiler room.

With this unpromising material as a basis, Judge Bok sets out to plead the case against capital punishment and against the wicked solemnities of "due process" of law.

Bok maintains that the boy was certainly not in his right mind when he committed the acts he was accused of, for his immediate remorse and vomiting when he returned to sanity proved this. But the public, aided and abetted by the newspapers, began to clamour that Roger Haike was a savage, who was so anti-social as to warrant the utmost punishment the law would permit. It never occurred to the public that a boy who, had, as was demonstrated and never questioned at the trial, not eaten at all for five days and very irregularly for five months before that, would be in an exceptionally over-emotional state. Nor did this same public admit, apparently, that it had some obligation to see that such unfortunate youths were not allowed to starve without help.



From the jacket: "Star Wormwood".

Society rejected Roger Haike both before and after the crime. This, says Judge Bok, makes the members of society as guilty as Haike.

He sets up his book in three sections —the crime, the trial and the execution, and traces the affair from its beginning right to its end as an investigator of human motives, not as a lawyer. He depicts the psychological situation in which Haike grew up, the effect on him of the trial and his ultimate disintegration in face of the electric chair. Judge Bok's perception is great, his insight keen and his charity limitless. But there is nagging suspicion throughout that he invents evidence for his reconstruction which was not heard at the original trial.

After each section of his imaginative re-creation of the events in 1930 and 1931, he appends several pages of comment. In these he deduces certain principles showing how wrong-headed the law can be and how insensitive and callous the people who administer the law often are. In these sections he is not only searching but also aphoristic. "No one need be concerned with logic when it comes to reforming the law. It is a very human and not a very scientific institution". Again, "a court trial is the hub of the legal wheel . . . the area of combat for the ultimate settlement of legal disputes. Yet it is the weakest part of the system. It is no better than the men who use it".

With the rigidity of the law thus categorized and the elasticity of man's imagination exposed, Judge Bok leads skilfully into the main thesis of the third section,

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which is that probation and parole should be much more widely used and that people should be judged not with vengeance, but with mercy. Our present system of incarceration and severe punishment, he contends, makes criminals rather than breaks them and destroys forever any chance which they might have had of coming back into society as productive members of it.

Star Wormwood is not a pretty book; it is a savage and startling book. Many an American who reads it will hope that if he ever gets into any criminal proceedings of any kind, wittingly or unwittingly, that they occur in Pennsylvania where Judge Bok will review them. For contrary to what people may think, enlightenment about the treatment of criminals is very seldom found in members of the judiciary. Judges interpret the law and set the sentences. But the sentencing is more often done by the book than by any human analysis of the character of the criminal who is sentenced. Of the many penetrating and pungent things said by Judge Bok none illustrate his point so well as a quotation from Carl Sandburg:

"Do you solemnly swear before the everliving God that the testimony you are about to give in this cause shall be the truth, the whole truth and nothing but the truth?"

"No, I don't. I can tell you what I saw and what I heard, and I'll swear to that by the everliving God, but the more I study about it the more sure I am that nobody but the everliving God knows the whole truth, and if you summoned Christ as a witness in this case, what He would tell you would burn your insides with the pity and the mystery of it".

It is the pity and mystery of human life that is more interesting to Judge Bok than the due process of law and the hideousness of capital punishment. That is what makes his book at once so startling and so real; and it is what makes him so unusual—a humane judge.

Star Wormwood, by Curtis Bok — pp 228 — *McClelland & Stewart* — *$4.50.*

Oil in a Teapot

Teapot Dome, by M. R. Werner and John Starr—pp 306—*Macmillan*—*$5.75.*

United States politics will always be the despair of other English-speaking democracies. What a Democratic ward captain considers fair play in the United States would put most constituency workers in Canada into a state of shock. Yet the United States gets governed, McCarthy and his like notwithstanding.

Of all the governmental excesses in the United States, the administration of President Harding had the largest single share. Yet Harding, according to M. R. Werner and John Starr, the authors of *Teapot*

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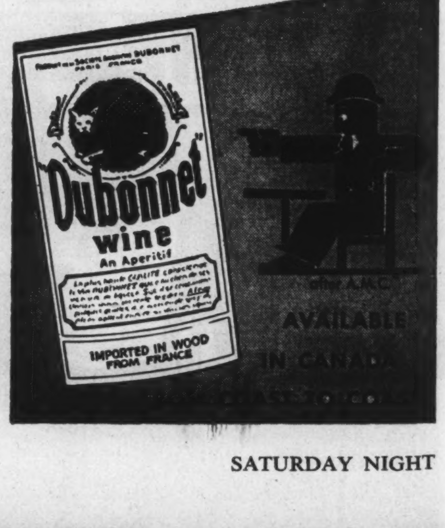

Dome, was what the public wanted in 1920. Americans in that year "felt that the coldly idealistic President Wilson had been hoodwinked at Paris by those clever card sharps Clemenceau and Lloyd George. They suspected foreigners profoundly and wanted no further part in Europe's ructions."

Harding was as easy-going as his public. But he was pushed into office by a determined group of self-seekers who promptly came to terms with one another when Harding entered the White House. The least principled of a shatteringly unprincipled bunch was Albert B. Fall who was so anxious to be Secretary of the Interior that, according to Werner and Starr, he sent a telegram to the president-elect urging his appointment, falsely signing the name of Harry Daugherty, Harding's campaign manager, to it. When he got the appointment, he immediately set about looking after his friends Harry Sinclair and Edward L. Doheny. These were oil men who could give large sums of money to the party and relatively smaller but still huge sums to the person who looked after them.

Teapot Dome was an area of an oil field in Wisconsin which had been reserved for the U.S. Navy to draw on in time of war. In California there were similar large oil reserves. Sinclair, Doheny and other people were interested in getting at these reserves and Fall accommodated them. Having made something like half a million dollars out of the transaction, he then resigned his post and both Sinclair and Doheny went on to make profits in the hundreds of millions of dollars from what was essentially and by Act of Congress public property of the United States people.

How the deals were finally traced, how the scandal was exposed, and how the law firm of Osler, Hosking and Harcourt in Toronto became involved makes a story which reads more like a detective novel than a history of political corruption.

M. R. Werner, on the staff of the New York *Herald Tribune,* and John Starr, a free-lance roving correspondent, know how a mass of details can be thus handled and made into an intriguing story. *Teapot Dome* is a book for everyone to read who is interested in how to make money the easy way and to lose a reputation by so doing. A.E.

Son Of Dust, by H. F. M. Prescott—pp. 287—*McClelland & Stewart—$3.25.*

A reissue of a fine historical novel by one of the great living masters of that form. It is a tale of heavenly and earthly love, set in the eleventh century, but timeless in feeling. A knight who fights and kills for the love of another man's wife finds at last that God demands all his devotion, and by losing his hopes in this world he gains peace. A book of enduring worth.
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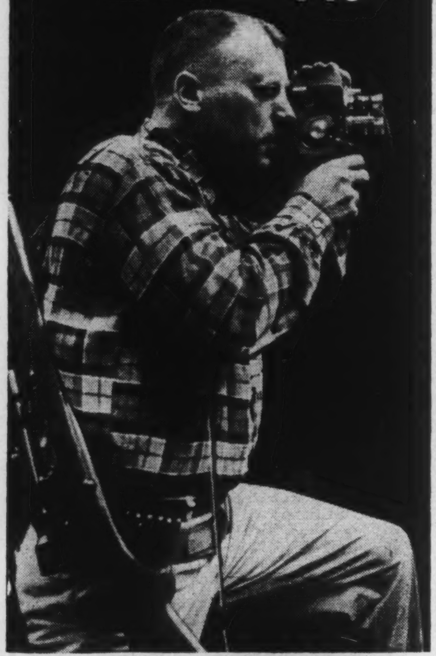

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Lighter Side

by Mary Lowrey Ross

"As the Saying Is . . ."

As everyone knows, Mr. Khrushchev is always able to produce a handy proverb to clinch any international argument. This is a great advantage. The Russian proverb is drawn from deep stores of peasant wisdom and so is invaluable for dialectical purposes. In this respect the Russians are rivalled only by the English, a race of moralists from way back, whose resources of peasant wisdom were immensely enriched by William Shakespeare. In any battle of proverbs, the English would probably win hands down, and it is a pity Mr. Macmillan doesn't make better use of his advantage.

This continent, never having had a peasantry, has no such handy arsenal of wisdom to draw from. In America the native genius for quotable sayings tends to run to advertising slogans, which have only limited force and application. (Compare, for instance, "My kingdom for a horse!" with "I'd walk a mile for a camel.") It is about time then, that we started on a crash program of national proverbs, particularly with the summit conference coming up and Mr. Khrushchev fairly loaded with wise old saws and their application to modern instances.

I have therefore assembled a number of proverbs that might come in useful when the summit conference begins to warm up. They would run something like this:

Mr. Khrushchev: Well, gentlemen, if the West wants trouble we have plenty of means to accommodate it.

Mr. Macmillan: Naturally no one wants trouble. But as the saying is, people who live in glass houses shouldn't throw intercontinental ballistic missiles.

Mr. Khrushchev (after a thoughtful pause): We might as well be realistic gentlemen. You may be acquainted with the old saying, the horse and the ox can't occupy the same stall.

Mr. Eisenhower: And as the ox said to the horse, if one of us would get out I'd have more room.

Mr. Khrushchev: Exactly. And since we're speaking in axioms, it's axiomatic that there is no more room in Germany for capitalistic imperialism. So shall we get to the point about the evacuation of troops?

Mr. Macmillan: Just a second. We have a saying in the Western world that Nato abhors a vacuum.

Mr. Khrushchev: Yes, and there's a saying in my country that you don't change the time by moving back the clock-hands. Let's put it this way. The future belongs to the worker and in the end we will bury Western capitalistic expansion and everything it represents.

Mr. Eisenhower: Well, as we say back in the USA, the barn can burn down while someone is hanging on to the party line.

Mr. Khrushchev (beginning to lose balance): The increasing power of the Soviet States—

Mr. Macmillan: (to Mr. Eisenhower) Haven't you got a proverb too about it's wise to turn off the power before you get tangled in the conveyor belt?

Mr. Khrushchev: Look, can't we get *started* on this conference?

Mr. Eisenhower: Now don't get upset Mr. Khrushchev. Remember it's a wise saw that doesn't catch somebody out on a limb.

A few days of this sort of exchange would at least help to establish proverb-parity. It might introduce the element of race-wisdom, so necessary to race-survival. As the saying is, an ounce of deterrent is worth a pound of defence and an ounce of international sanity is worth the world's supply of nuclear deterrent.

On the whole the proverb tends to function best at the international level, where it has the charm of novelty and the authority of oracle. Exalting brevity and distilling wisdom it says exactly what it has to say and then stops. For this reason it might turn out to be highly effective if used during a conference on, say, Canadian-American relations.

Following a long discussion on water diversion, industrial expansion and northern defence, the Canadian spokesman might get up and announce, "Gentlemen, in my country we have a saying that the beaver likes to do its own dam planning." This might create quite a lot of attention in Washington, coming as it does from a country that hasn't yet got round to planning its own flag. If that particular question should come up I guess the best the Canadian spokesman could do would be to say, "Well we have an old saying in Canada: Here's to the new Canadian flag, let's waive it."

London Letter

by *Beverley Nichols*

Popularity and the Party

AN UGLY LITTLE SCENE was played out at London Airport a few days ago. One of Count Basie's colored jazz-players was saying goodbye to five teenage English girls. It was a prolonged and affectionate farewell, involving many kisses and embraces. Suddenly there was a shout from an Englishman, white-hot with anger. "If you must do that sort of thing, do it in private!" The colored man shouted back in suitable terms. There were screams and a scuffle, and then the musician was dragged off. So the story only got a short paragraph at the bottom of the page.

It was worth more than that.

Why? Because it was played against the background of the troubles in Nyasaland, which have caused exceptional bitterness in Parliament. For reasons which, we are assured, are purely humanitarian, the Labor party has decided to make the cause of "African Freedom" a major issue at the next election. In doing so they will doubtless gain the support of the large numbers of British people who, throughout history, have always been swayed by sympathy for the under-dog, even if the under-dog is proving itself to be a rather dangerous animal.

But the idealist vote may well be cancelled out by the realist—by the city-dwellers who do not visualize the African from afar, as though he were a decoration on a mural, but from the point of view of a next-door neighbor, whose morals are apt to be tropical. And, of course, by the unemployed. Meanwhile the situation remains so tense that a prize-winning television play *attacking* racial prejudice, which was to have been screened on Good Friday, was cancelled. In its place was presented—with unconscious humor—The Taming of the Shrew.

Maybe there is a sign of desperation in the choice by Labor of the African issue as an election plank. They have precious little else. The rise in the cost of living has been well nigh halted, the unemployment figures have gone into reverse, and the personal popularity of the Prime Minister has never been higher. I happened to be at the theatre on the night that Mr. Macmillan took one of his rare breaks, twenty-four hours after his return from America, and as a reporter I was struck by the genuine affection with which he seemed to be regarded by the crowd as he took his leave.

When the undemonstrative British workman shouts "Good old Mac!" it means more than any amount of synthetic hip-hurraying. This regard has been deepened by the Premier's tireless efforts in the cause of peace—efforts which seem to have impressed everybody in the country with the exception of Vicky, the cartoonist of Lord Beaverbrook's *Evening Standard*, who portrays Mr. Macmillan, night after night, as a congenital idiot strangled by his old school tie.

I have it on good authority that the police drive against the Teddy Boy gangs is far more comprehensive than the public realizes. Police are being switched from a number of inessential duties—and there are certainly plenty of *those*, as the harrassed motorist will agree when he returns to a side-street to find a hefty cop leaning against his car, with a ticket for a parking offence. This quickening of the pace is partly due to the fact that the police are themselves the object of the Teddy Boys' hostility . . . sometimes to the point of murder.

But principally it arises from an awakened public opinion. There was widespread dismay when the Home Secretary announced, for reasons which seemed grossly inadequate, that there was to be no ban, as yet, on the sale of flick-knives. These murderous weapons can still be purchased by hysterical teen-agers with very little difficulty. As a rather pompous Tory remarked, "a flick-knife must be regarded as definitely un-British." And to be definitely un-British is, of course, the final condemnation.

Speaking of popularity, there are some current trends. Weather—up. Royal Family—up. Communist Party—down.

Weather. It has been, on the whole, an enchanting Spring. For once the daffodils in Hyde Park really did catch the winds of March instead of appearing, with pardonable reluctance, in the blizzards of April. One of the few occasions when the weather mildly misbehaved was for the Oxford and Cambridge boat race, which was rowed under grey skies. I need not remind you that Oxford won it by six lengths. As I joined the crowds at Hammersmith Bridge, and watched the hordes of excited Cockney urchins, sporting their respective light blue and dark blue favors, I thought: "This is a country that will never have a revolution. When you see kids that might have stepped straight from the pages of Dickens, cheering themselves hoarse over a contest such as this, which, in spite of the democratization of the Universities, is basically aristocratic, the sound of the tumbrils is still very faint indeed."

The Communist Party, with reluctance, would probably agree. The wails of *The Daily Worker*, imploring contributions for its depleted coffers, have become almost pathetic, like the mutterings of an importunate mendicant. The sharp slide in membership which occurred after Hungary has been repeated, on a minor scale, after Tibet. And it seems fairly certain that the struggle for the leadership of the vital Amalgamated Engineering Union will end in a smashing defeat of the Communist candidates.

One of the few bright spots on the Communist horizon is centred on the person of a certain Mr. Thomas Paynter, who has been elected secretary of the National Union of Mineworkers, which is of course one of the top posts in the Trade Union movement. Will Paynter is an out-and-outer, with a full-blooded programme for "industrial action", and a determination to use the strike weapon as indiscriminately as a bludgeon in the hands of a fanatic. Unfortunately for the Communists, such tactics are ruled out by the sheer facts of the economic situation. Unless there is to be widespread unemployment at the pits, the miners must co-operate with the Coal Board in bringing down costs and increasing efficiency. And this grim fact is recognized by the rank and file. Cutting off his nose to spite his face has never been a favorite pastime of the British workman.

And the Royal Family? Royal popularity can never be precisely assessed. All one can say is that the recent spate of ill-informed criticism of the Queen has died down to an occasional whisper, and that when the Queen Mother and Princess Margaret appear together in public, as they frequently do, the cheers are loud and full-throated. I was sitting just below them at the gala performance of the Comedie Francaise. And once again, having a wandering mind, I was struck by the thought that we really are a most unpredictable people. Here was a daring French farce, in which absolutely no holds were barred, and where all the characters popped in and out of bed with each other with bewildering frequency. And here were the Queen Mother and Princess Margaret splitting their sides with laughter, and next to them, of all people, the Lord Chamberlain, who spends his life refusing licences for serious plays dealing with serious problems. He too was roaring with laughter. It really doesn't make sense.

The Lively Arts

by Mary Lowrey Ross

Loeb and Leopold Again

THE GRADUATING CLASSES of Osgoode Hall and of the University of Toronto Law School were invited to a pre-view of *Compulsion* and turned up, apparently, to a man. This is a screen dramatization of the Loeb-Leopold case, and it would be hard to say how much the guests profited by the film as a sort of extra-curricular exercise. But they saw a very remarkable picture.

Compulsion is told almost entirely from the legalistic point of view. There is relatively little violence in the film. The actual crime is merely indicated, and the victim is revealed as nothing more than a limp young arm in the city mortuary. What the film does reveal, again by indirection, is the mass fury turned on the young murderers whose arrogance, as the investigation progressed, seemed to expand to the legendary scale of the sin of Lucifer.

It has often been pointed out that the court-room "performances" presented on the screen belong to the Hollywood rather than to the legal tradition. This is undoubtedly true. Yet the circumstances surrounding the Loeb-Leopold case were so fantastic and the public temper was so ferocious that, in this case at least, only the virtuoso performance of Clarence Darrow saved the pair from hanging. It would be hard to say how much they owed to Darrow the lawyer and how much to Darrow the compelling court-room figure.

Clarence Darrow made no attempt to defend the actions of his indefensible clients. Instead he took his stand on the great abstractions, pleading the cause of mercy against the demands of justice. The argument against capital punishment could hardly have been presented to a less receptive public, and, in the final court-room scene, Darrow's must have been one of the most dramatic performances in the history of criminal law.

Lana Turner: Imitating soap opera.

Orson Welles: His highest point?

The Darrow role in *Compulsion* is played by Orson Welles. A vast, patient, weary figure he moves about abstractedly, dishevelled but unruffled, muttering reflections on society in tones and terms that are mordantly clear, never allowing one an instant's unawareness of his remarkable presence or of the superb muffled style he uses to conceal style. While much of this is familiar Welles, in the end it is Lawyer Darrow rather than Actor Welles who dominates the action. The Loeb-Leopold case was probably the highest point in Darrow's career. *Compulsion* may well be the highest point in the career of Orson Welles.

The Loeb and Leopold roles are played by Bradford Dillmann and Dean Stockwell. The names of the leading characters have been altered here, but no attempt has been made to disguise the actual story.

Fanny Hurst's *Imitation of Life* was made some years ago with Claudette Colbert in the leading role. Now it has been remade, for no good reason, featuring Lana Turner as the beautiful widow who arrives in New York with a small daughter to raise and a large ambition to promote. Presently she falls in with a pleasant colored woman and her daughter, and the four set up housekeeping together. Annie looks after the children, Lana devotes herself to her career and in far more time than it takes to tell the heroine is a great Broadway star and the domestic arrangements are coming apart at the seams.

Lana's daughter falls in love with her mother's beau and Annie's daughter, a fine striking brunette, rejects her mother and heads for the nearest honky-tonk. To be sure they have everything to make them happy — parties, saddle-horses, mouth-watering clothes, etc. But everyone is wretched including the good Annie who just stays home and reads her Bible. Naturally it ends up with everybody reconciled and on stage, but the curious departure here is that instead of a great Broadway climax we have a bang-up funeral that goes on and on—crowds, blankets of lilies, negro spirituals, traffic officers and a colored band. Actually *Imitation of Life* is a very bad imitation of one of the less self-respecting soap operas.

Not to be outdone by television, the movies has produced in *Tempest* the season's biggest Western. The setting is Russia (actually I believe Jugoslavia and Italy), the time is the reign of Catharine the Great but in story and action *Tempest* is unabashed horse opera. The high, wide screen swarms with horses.

There is a cunning outlaw (Van Heflin in a fearful bristle of red whiskers), a wicked villain (Helmut Dantine) and a beautiful heroine (Viveca Lindfors) imprisoned in the fortress-stockade. The stockade itself is embellished with onion towers to distinguish it from the pre-civil-war stockades we are familiar with, and naturally it takes a beating when the outlaw forces ride in. The budget outlay, running into Heaven knows how many millions, naturally makes the world of Wyatt Earp and Bat Masterson look like a corner of a lower-price basement display.

Van Heflin: Fearful whisker bristle.

Provence

CONTINUED FROM PAGE 21

festivities". These range from mimosa festivals to lavender festivals (at Digne and Carpentras, end of July), to the olive festival at Les Baux in September, and the wine festival at Nimes, in October.

Here are some of these:

May 16, 17 and 18: Bravade at Saint Tropez, commemorating St. Tropez, who suffered martyrdom at Pisa and whose boat was washed up on the shores of Provence.

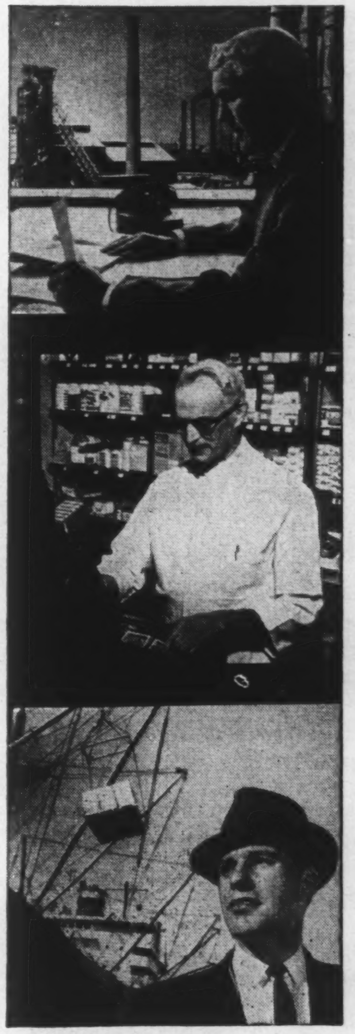
June 15: Bravade des Espagnols, at Saint Tropez, to commemorate the repulse in 1637 of an attack by Spanish galleys.

Last Sunday in June: Festival of the Tarasque at Tarascon: "Legends tell of a monster which would emerge from its lair by the Rhone's bank and upset boats, drown boatmen, devouring men and flocks. Sixteen set out to do battle with the monster, and the eight who survived founded Tarascon. St. Martha tamed the monster. This festival is a noisy one and the monster runs, jumps and rushes along the streets at top speed while toppling over passers-by and spitting fire and flames from its open mouth. Later in the day there is a farandole through the streets".

Last Sunday in September: at Maillane, Boulbon, Eyragues, Graveson, a festival to the glory of the sun, the wheat and those who work in the fields.

Besides these folksy events, the sophisticate who wants his cultural money's worth will find more than he can handle. The Cannes festival (almost as famous for its beach-bound film stars as for its films) will be held May 1 to 15. Juan-les-Pins will have the international bridge festival May 3 to 10. There's an international regatta at Whitsuntide at Sanary, an international folklore festival at Nice, July 13 to 17, and in July two of the most important cultural events held outside Paris: the Aix-en-Provence music festival and the festival of dramatic art at Avignon.

Although it is a tiny area by Canadian standards, Provence is equipped as no area in Canada to maintain the interest of the most curious and sympathetic tourist. It contains, for example, nearly 40 Mediterranean bathing resorts (many of which are quite as dreamy as the stereotype by which the Riviera playground is known around the world); it has the world's most lavish hotels for the old and rich, a string of 35 youth hostels and many camping grounds for the young and impecunious. There are 24 important museums in the area, half a dozen rivers good for boating, and an indigenous cuisine guaranteed to keep any hungry man happy for a good number of hours every day.



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Will history repeat itself? — Attractive Trust Company Services—Long term view of Imperial Tobacco — Gunnar's outlook.

Waite Amulet

What do you think of Waite Amulet?—B.A., Toronto.

The market capitalization of Waite Amulet reflects a net liquid position of some $2.50-plus a share and the expectation that ore reserves will prove to be better than the officially estimated position at the end of 1958. For many years, Waite has shown a weak ore position but has so far not got down to the bottom of the barrel. The market expectation apparently is that history will repeat itself and that ore measures will continue to be better than official estimates.

The company treated 288,206 tons of ore in 1958 and at its end reported ore reserves of 214,000 tons in the Waite mine and 377,000 tons in the Amulet Dufault section. It earned 60 cents a share last year versus $1.03 the previous year, with the decline reflecting low copper and zinc prices along with a drop in grade. Officials expect that the company will be hit this year by U.S. quotas on zinc.

Trust Company Service

I have stocks and bonds of 32 corporations, representing a market value of some $57,000 and providing an income in excess of $2300 a year. You may well imagine the burden of administering my investments from an income-tax standpoint, what with checking dividend payments, obtaining vouchers from trust companies, adjusting accrued interest, etc. I engage an accountant to help me and while this costs money it is cheaper than doing the job myself since I have no head for detail and since my time is fairly valuable. Is there any way a person can program his investment work so as to simplify it?—B.D., Toronto.

You could provide the accountant with a list of holdings and have him watch interest and dividend dates and check back with you each time a dividend or interest coupon is due to make sure you've received it. This would be an expensive process and would still leave you with the problem of receiving or making deliveries when you bought or sold.

Many investors are finding the answer in the custodianship service of Canadian trust companies. Under this service, the trust company holds securities in safekeeping and draws the income, crediting it to the owner's account, looking after details of purchase and sales, rights, redemptions, etc.

The trust company can perform this service for substantially less than one can oneself, if his time has any economic value, and probably for substantially less than it would cost to hire an accountant to perform it or its equivalent. The trust company already has the dividend and interest records, plus automated procedures for handling paper work. The fee it charges is an allowable deduction for income-tax purposes.

Reeves MacDonald

How would you assess the chance of Reeves MacDonald's drilling at Kimberley?—S.B., Halifax.

A swami or a seventh son of a seventh son might attempt to answer your question; a prudent financial commentator wouldn't. No one knows what the drills will hit.

Back around 1928 an American firm spent several hundred thousand dollars drilling the ground which later became Quemont. It missed the brass ring. Mining Corporation obtained the property for Quemont and struck pay dirt in the mid-40's.

Giant Yellowknife property was reportedly originally offered to every major mining company in America and turned down. The present company, a Frobisher subsidiary, went in and succeeded.

There was a famous silver mine in Ontario whose failure to find ore around 1912 precipitated the bankruptcy of a large financial institution. Ten years later, a young engineer disobeying instructions as to where to drill turned up a bonanza in an area whose possibilities had previously been thought eliminated.

Officials of Reeves McDonald think well enough of the possibilities of the 110 claims adjoining the Sullivan mine of

Consolidated Mining & Smelting at Kimberley, B.C. to pick up the tab for drilling them. Three anomalies have been indicated by a magnetometer survey. The ground is held by Western Exploration, which retains a 30% interest, Western has held the ground since 1924 and optioned it in 1947 to Hollinger Cons. The latter conducted a geophysical survey but failed to follow up with drilling.

Ore is where you find it.

Imperial Tobacco

Can you puff up any encouragement for the holder of Imperial Tobacco?—D.M., Ottawa.

Imperial Tobacco appears to be the best-based unit in this country's tobacco trade, the future outlook of which is indicated by the annual increase in cigaret and cigar consumption. The industry has in recent years attracted new entrants from Britain and Belgium and perhaps their willingness to pour money into development in this country is the best evidence the Imperial holder can obtain as to the promising outlook for the industry. Alarm over possible links between tobacco and lung cancer seems to have become less prominent.

It is only of passing significance that Imperial in 1958 experienced a decline of 2.8% in net profits from 1957, the result of higher costs and reduced investment income. Industry is to-day attacking costs via a search for increased efficiency and the expectation that profits will bear a reasonable relationship to sales is not unreasonable.

From the standpoint of market valuation, something has to be allowed for the intangible advantage of the company's size and leadership in the industry.

Gunnar

Do you like Gunnar Mines?—P.O., Halifax.

Gunnar is an interesting speculative vehicle for any one fancying uraniums. Its position suggests that it will be more able than several other uraniums to carry on under conditions which may make operation extremely difficult. It has a strong ore position, interesting development prospects and enjoys favorable costs. Additionally, it has received a supplementary contract from Eldorado Mining & Refining covering purchase of more than half as much concentrates again as its original contract called for.

In 1958 Gunnar treated 711,298 tons of ore (average 1,949 a day), had revenue of $23,925,000 or $33.94 a ton and costs of only $5,358,000 or $7.60 a ton. Provincial royalty mopped up $1,150,000 or $1.63 a ton and interest $284,352 or 36 cents a ton. Operating profit was $17,-

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Class "B" Shares .... 10 cents per share

The dividend will be payable June 1, 1959, to shareholders of record at close of business on the 6th day of May, 1959. The transfer books will not be closed. Payment will be made in Canadian Funds.

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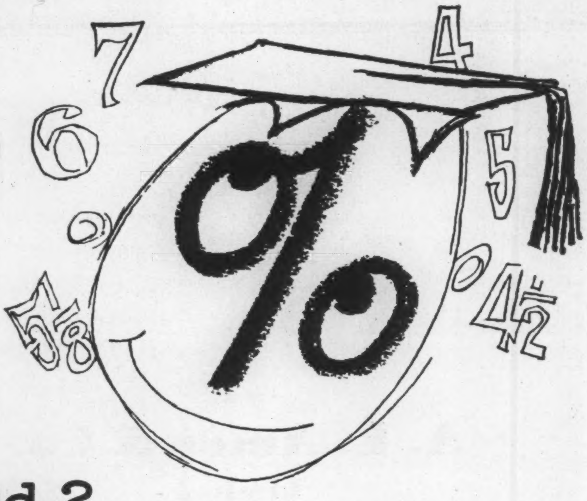

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162,648 or $24.34 a ton while exploration took $57,905 or eight cents a ton and write-offs $5,840,000 or $8.28 a ton. This left net profit of $11,219,556 or $15.91 a ton—$3.22 a share.

The company's original contract called for $76,950,000 of uranium concentrates and the supplementary contract for $40,000,000. Since production to the end of 1958 totalled $56,510,000, there remained $60,400,000 to fill the existing contracts. This could be prorated over the remaining period of the contract to result in production of about $18,600,000 a year.

The company's three-year period of tax exemption as a new producer expired February 28 but no income tax is anticipated for 1959 since there will be allowances for write-offs of capital assets.

Funded debt has been whittled down to $4,250,000 due October 1, 1960. Dividends of 75 cents a share each are to be paid on March and September 19, 1959. No dividends were to be paid if they reduced liquid assets to below $6,000,000.

Ore reserves at the end of 1957 totalled 1,375,810 tons grading 3.4 pounds uranium oxide per ton in the open pit and 1,800,000 tons—4 pounds per ton—underground to the seventh level. Underground workings have been carried to a depth of 1,242 feet with eight levels and four new levels are to be established at 150-foot intervals via deepening the shaft next summer. Encouraging drilling results have been obtained below the 8th level and deep drilling is continuing.

Much of the appeal of uranium shares resides in the anticipation of dividends between now and the expiry of the purchase contracts. The realistic view is to regard these dividends as a capital return in view of the obscure outlook for the industry, but they are still subject to income taxes. In consequence, the attraction of uraniums vary inversely with the tax bracket of the individual investor.

Algoma Steel

If Algoma Steel is so good, why is A. V. Roe sloughing its holding? And who would buy Algoma steel under these conditions?—K. A., Winnipeg.

After the Roe company bought about a 15% interest in Algoma, it took control of Dominion Steel & Coal and to concentrate on the latter liquidated its Algoma. Its holdings have reportedly been partially acquired by investment companies and mutual funds, who took advantage of what may have been their last opportunity to obtain substantial amounts of Algoma without disturbing the market.

Their interest in Algoma presumably reflects the intriguing nature of the company's position: low-cost production, iron and coal reserves which enable long-term planning with assurance, a more competitive position in flat-rolled products, increased ingot capacity through its L-D oxygen steel process, the possibility of increasing its lines of structurals and the growth possibilities of the Canadian steel industry.

Dominion Bridge

What are the prospects of Dominion Bridge?—P.A., Regina.

Dominion Bridge does not look for an appreciable increase in new order bookings this year.

There is, however, still a large volume of uncompleted contracts on the company books as a carryover of large projects from prior years. This will have some effect on 1959 earnings.

Capital expenditures will be down somewhat this year, with less drain on the cash resources. The company should this year further reduce its bank loans which were whittled down by $1.3 million in 1958.

In Brief

Do you look for an increase in the price of iron ore?—S.N., Montreal.

Yes, since production costs have advanced, but the price increase may be postponed until later in the season.

What is the status of Barvue?—B.L., Edmonton.

Exchangeable for Manitou-Barvue Mines; basis 10 old shares for one new.

Why is Granduc a wallflower?—A.D., Quebec City.

Production being held in abeyance mainly because of a lack of transportation.

How is Torbrit looking?—M.O., Windsor.

Just about down to the bottom of the ore barrel but continues exploration.

Is New Formaque active?—M.D., Sherbrooke.

Launching a further test of its property in Dalquier township, Quebec.

Anything new at Macassa?—H.M., Kitchener.

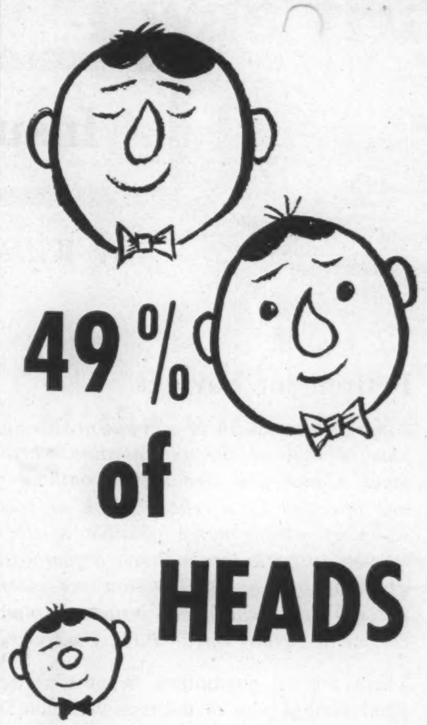
Only that it is now cashing in on its expansion program.

Has Gaspe Copper changed its ore position substantially?—M.C., Chatham.

No.

What's Head of the Lakes Iron doing? —B.R., Medicine Hat.

Plans a further test of its original property west of Port Arthur, and will also look over ground in the Mattagami area.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Dividend No. 289

NOTICE is hereby given that a dividend at the rate of forty cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared for the quarter ending April 30, 1959, payable at the Bank and its branches on May 1, 1959, to shareholders of record at the close of business on March 31, 1959.

Subscribers to new shares are reminded that they will rank for this dividend only in the proportion that the amount paid upon such new shares at the record date of March 31, 1959, bears to the subscription price of $32.

By Order of the Board
J. P. R. Wadsworth,
General Manager
Toronto, March 13, 1959

LOBLAW GROCETERIAS CO. LIMITED

Notice is hereby given that a dividend for quarter ending May 30, 1959, has been declared on the Capital stock of the Company as follows:

First Preference Shares, Cumulative Redeemable, Series "A"	37½ cents per share
Second Preference Shares	54 cents per share
Common Shares	54 cents per share

The dividend will be payable June 1, 1959, to shareholders of record at close of business on the 6th day of May, 1959. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.
R. G. MEECH,
Secretary.
Toronto, April 3, 1959.

Saturday Night

covers the broad field of the modern Canadian business and professional man's interests, both in economics and in national and international affairs.

Insurance

by William Sclater

Retirement Savings

I am interested in a retirement savings plan in view of the anti-inflation advantages. Could you give me an outline of one operated by a reliable bank or trust company which makes possible a stock investment angle that will give a guarantee of keeping pace with inflation and meets the difficulty which the insurance plans cannot do in this way?—P.H., Vancouver.

There are no guarantees. What a retirement savings plan of the type you have in mind does is to invest your contributions, which may be regular or irregular in either fixed interest units such as bonds and mortgages or in equity units such as common stocks, or in a combination of these in whatever percentage you elect. As the returns come in they are re-invested for you and the accumulated total at retirement age is used to purchase a single premium life annuity of your choice.

While these plans are financially sound and thoroughly reliable there can be no guarantee, as the final result will be determined by whether the country is in the depths of the financial doldrums or at the peak of a wave of prosperity when you cash in your accumulated total to buy your annuity. Nevertheless there are good features of such plans well worthy of consideration.

One of these is the tax saving. If for example your earned income is $5,000 per annum you can pay in $500 per annum to such a plan for a tax saving of $95 at present rates. While the money will be taxed when you take it out, at a flat rate, there is an exemption of $500 after reaching age 65 and, in the event of death the value of your account would form part of your estate for succession duties. Investment funds are growing in popularity today, but they are not insurance and should not be confused with insurance plans.

Veterans' Insurance

Do recent changes in veterans insurance legislation affect World War II combat veterans? Can we still buy insurance? I am not a pensioner. Does this matter?—E.M., Red Deer, Alta.

New legislation recently enacted very definitely affects World War II veterans interested in veterans insurance. Your eligibility to apply for this insurance is extended to Sept. 30, 1962. Maximum amount available under the Act is $10,000. There is another important change. Section 10 is repealed and this deletes the Provision No. 16 from your policy. This means that no award of a pension under the Pension Act to your spouse or child will reduce the face value of the policy. The fact that you are not a pensioner does not affect your eligibility.

Group Employee Plan

What sort of group insurance plan would you suggest for a small printing plant, and what should be included in the coverage? The company will pay part of it but I would appreciate an idea of the cost to the employee, by a comparative figure, and what he gets for it.—H.A., Toronto.

Many insurance companies have specialist departments in this field. You would be well advised to consult an expert to make a thorough investigation of the needs of your employees and what might be the best way to meet these needs. As a guide you might consider how best you could supplement the government hospital plan with medical and surgical coverage and don't forget "major medical" when reviewing that. A weekly accident and sickness indemnity to make up the additional costs and the loss of the pay check is important. You could have a life insurance benefit and also an accidental death and dismemberment benefit.

Without commending it as a good or a poor plan I can quote you a figure of 80 cents a week for a single man earning more than $80 a week or $1.70 for a married man with a family included on the same basis. This buys $1,000 life insurance protection; $1,000 accidental death or dismemberment coverage; $50 weekly accident and sickness benefit; medical expense including treatment at doctor's office or in hospital to a maximum of $250; surgical expense to a maximum of $300 and other operating room expense to a maximum of $60. That will at least give you some idea of comparative cost to the employee.

Royal Visit

CONTINUED FROM PAGE 9

Kingston, which will see the Royal party for two hours, will have 10,000 children on hand at the Richardson Stadium in Queen's University and a similar number of children and parents gathered at the Community Centre. There will be a presentation at the university of university, church and military officials, then a brief inspection of Fort Frontenac before a visit to Old Fort Henry where the "Royal visitors will see fast-paced display of 1867 drill and battle tactics by the drill team of the Fort Henry Guard, a drill similar to the display at England's 1956 Royal Tournament which Her Majesty did not see . . . About 16,000 persons from Kingston and area will be on hand at Fort Henry".

In Edmonton there will be the naming of a planetarium in Coronation Park, an official luncheon for the Royal party and a visit to the University of Alberta, where university officials will be presented. There is also a tentative plan for a visit to the Colonel Newburn Veterans' Hospital.

All in all it looks as though some municipalities, notably Kingston, Saskatoon and Sudbury have laid their plans well and are eager to talk about them. Other municipalities seem either to have been stricken by paralysis at the thought of a royal visit or are willing to let people in Ottawa or London do their planning for them.

One or two particularly interesting occasions will present themselves. One will be in the City of Toronto, when the Queen will present the traditional fifty guinea purse to the winner of the Queen's Plate at Woodbine Race Track. This is the second time only that is has been presented by the reigning monarch.

The second will be in Winnipeg where The Governor and Company of Adventurers of England Trading into Hudson's Bay will, as their charter demands, present to the Queen two elks and two black beaver skins—a requirement of the company "whensoever and as often as Wee, our heires and successors, shall happen to enter into the said Countryes Territoryes and Regions hereby granted".

In sum, the Queen will be seen by thousands upon thousands of Canadian children and by as many adults as come to line the hundreds of miles of streets and shore line that she will drive along in the longest visit she has yet made to this realm. Providing the laggard municipalities can get their plans formulated in the time, it looks as though the tour will be well worthwhile—if it shows no advance in thinking from the elaborate "progresses" made by her predecessor, Elizabeth I, in her realm of England.

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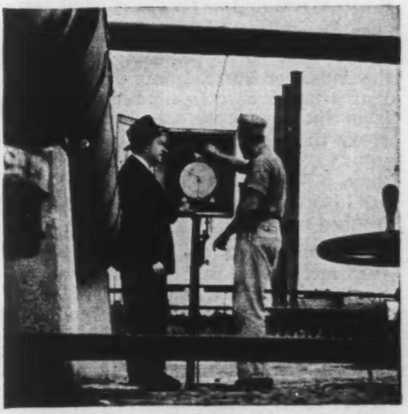

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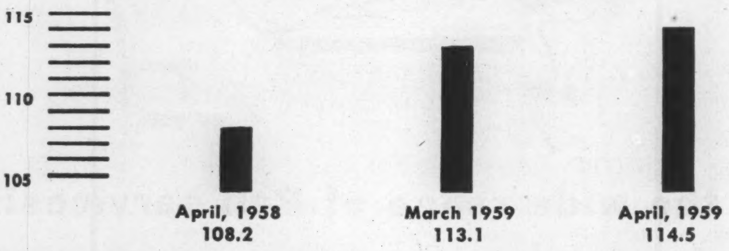
Saturday Night Business Index for April



(Saturday Night's Business Index is a compilation of statistical factors bearing, generally, on Canada's gross national product. It is designed to reflect pace of economic activity. The base 100 is drawn from 1955 data.)

Indicator Table	Unit	Latest Month	Previous Month	Year Ago
Index of Industrial Production (Seasonally Adjusted) ▶	1949=100	157.2	155.1	149.9
Retail Trade ▶	$ millions	1,165	1,565	1,096
Total Labour Income (Seasonally Adjusted) ▶	$ millions	1,405	1,388	1,319
Consumer Price Index ▶	1949=100	125.5	125.7	124.3
Wholesale Price Index Of Industrial Materials ▶	1935-39 =100	236.0	234.0	230.7
Inventory, Manufacturing Industry (Held & Owned) ▶	$ millions	4,419	4,395	4,516
New Orders Manufacturing Industry ▶	$ millions	1,728	1,742	1,886
Cheques Cashed, 52 Centers ▶	$ millions	20,470	21,810	17,364
Imports for Consumption ▶	$ millions	389.1	414.2	363.7
Exports ▶	$ millions	324.3	350.2	325.9
Contract Awards (MacLean Building Reports) ▶	$ millions	203.4	228.6	259.2
Work Week in Manufacturing ▶	hrs. week	170.9	167.3	165.8

Latest month figures are mainly preliminary ones

by Maurice Hecht

A SPEED-UP in the pace of recovery, which we have mentioned for some months, is beginning to show now. This does not mean a new boom is underway. Let's take heart from the current increase in our tempo of growth, but let us not confuse it with a real boom. That may come later.

The industrial production index is almost back to its previous high. When this indicator started going up again last year it had a hard time getting far away from the low level. Last November it broke the stalemate. Since our recorded statistics are always slightly out of date there is little doubt that actual industrial production today has passed the old high reached in 1957.

The Gross National Product figures for 1958, recently released, confirm our general thinking. In the last quarter of 1958 Gross National Product was $32.7 billion. This figure is, of course, seasonally adjusted at full year rates. In the first quarter the figure was $31.5 billion. In the last quarter of 1958 corporation profits before taxes were the highest in two years, save for the first quarter of 1957.

Personal expenditures of all Canadians on consumer goods and services reached an annual rate of $21.3 billion at the end of the year. This is the highest ever. Personal income at year end was hitting an annual rate of some $25 billion. This includes taxes.

To serve our increasing prosperity we have increased our imports, just as we do the opposite when things slow down here. Result is that our trade deficit, which shrank sharply last year, has started to swell again.

Construction contract awards have slowed down compared to 1958. However, they were generally hitting a very high rate a year ago. Housing construction awards are now a bit below 1958; this means that residential construction is still proceeding at a very good clip. Industrial construction awards, which was the poor cousin for two years, is still poor but prospects there are getting brighter.

The Crown

CONTINUED FROM PAGE 1

government circles, rather than Royal extravagance. And for that matter, it's the British government that pays for the yacht and its crew and for the Queen's Flight when it is used. The cost of various gifts, clothing, gratuities and the like is borne by the Palace.

The Queen's representatives are also a separate charge. Governors-General and Lieutenant-Governors in Canada, to take a typical case, represent a roughly $200,000 a year salary bill to the Canadian government. But when Canadian Equerries are sent over to Buckingham Palace, the Queen supplies them with room and board as long as they are in her service.

Taking the official charges, this Royal budget is rather bigger than that of other countries. The Dutch Royal Family costs about $200,000 a year (including the upkeep of two palaces) although for a much smaller domain, and it's estimated that President Eisenhower costs the United States a tax free salary of $100,000 a year, plus about $400,000 for the White House and its staff. In addition, the Executive office of the President has a budget of roughly $5 millions for various official and governmental operations —a small part of which covers the same sort of charges as the Queen's grant.

The question of what's received in return for the Royal outlay was gone into in 1952 by a Select Committee of the House of Commons. Committee members —including Laborites Hugh Gaitskell and Lord Attlee—agreed that "the burden of Her Majesty's duties is still formidable and is likely to remain so, and there is little respite even in what are nominally holiday periods."

The Queen's duties fall into three categories, they pointed out, all of them difficult and time-consuming. First comes the "day to day study of State papers," calculated to take up a minimum of three hours a day and involving a yet-to-be revealed amount of advice, comment and guidance from the Queen to her various ministers.

Second, there are the necessary audiences to official visitors, described by diplomats as essential to oil the wheels of international relations. Tito, for instance, was, by his own admission, appreciably warmed toward the West by the welcome he received from the Royal family during his visit in the crucial days of 1948 when he split with the Soviet Cominform—a literally priceless gain in Cold War skirmishing over the Balkan peninsula.

And finally, the arduous public appearances, like the tour of Canada, which provide a non-political focus for

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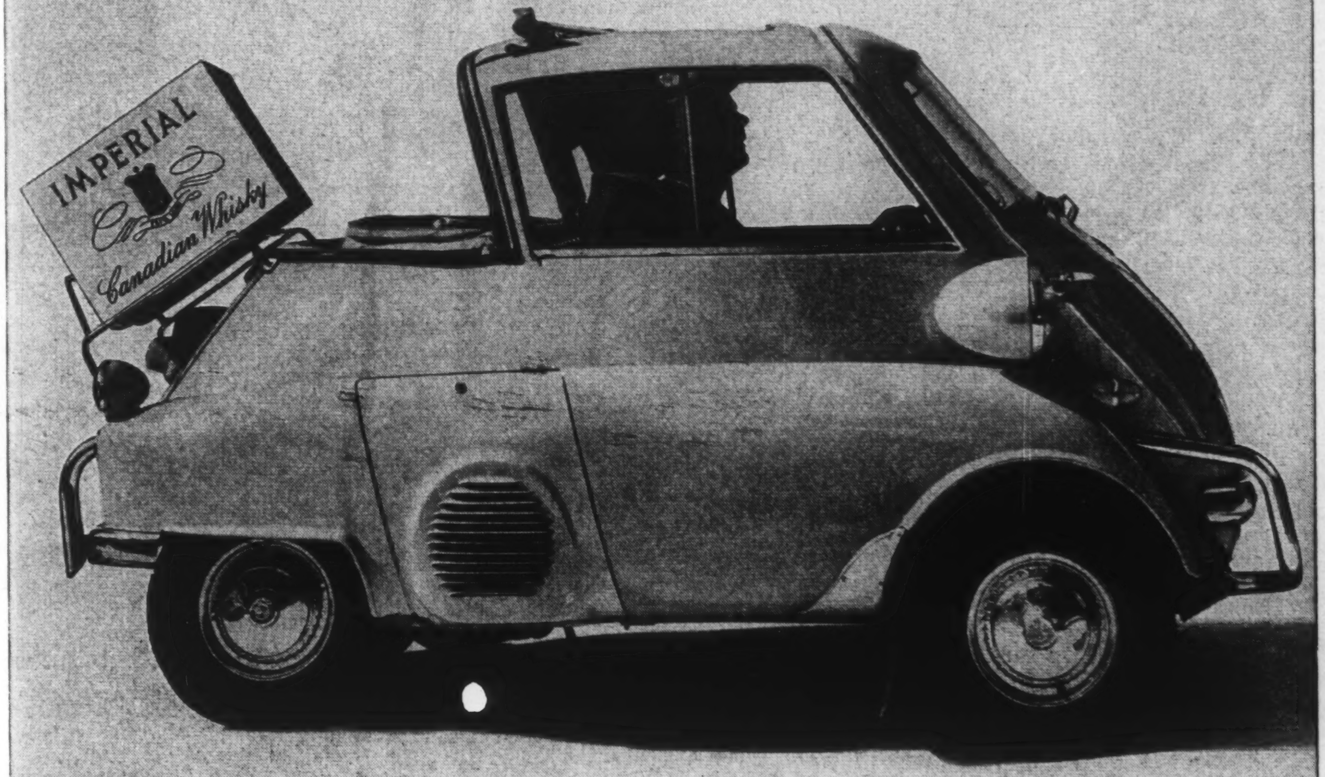
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QUEBEC	Montreal	Quebec City
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PRINCE EDWARD ISLAND	Charlottetown Summerside	
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Even Royal critic Lord Altrincham concedes, "if her Throne were ever seriously threatened . . . she would have no more passionate champion than her humble and devoted, but frank, vigilant and by no means idolatrous servant."

And as one British student of Royal finance, Humphrey Berkeley, concludes: "It is inevitable that a Monarchy should prove more costly than a Republic. But our Monarchy gives us dignity, ceremony and pageantry, without vulgarity, ostentation or extravagance."

Gov.-General

CONTINUED FROM PAGE 13

cised federally in Canada and obviously could be used only under the most exceptional circumstances. The most likely occasions seem far-fetched but it might be necessary, for example, if a Prime Minister suffered a stroke, lapsing into a coma that lasted for weeks. He could not resign if he were unconscious, but obviously the Queen's Government must carry on without waiting for his recovery.

Another of the prerogative powers is the summoning, prorogation and dissolution of Parliament. The actual application of the latter today has been the subject of much controversy, particularly in the light of the constitutional crisis of 1926. There is a widespread belief that Mackenzie King's victory in the General Election that year guaranteed that a Prime Minister *must* be granted a dissolution whenever he asks for it but many experts believe otherwise.

It should be pointed out that in South Africa in 1939, Sir Patrick Duncan refused a dissolution to Gen. Herzog and upon his resignation asked Gen. Smuts to form a Government, which he was able to do successfully. So great an authority as Sir Alan Lascelles, who was Private Secretary to King George VI, has written:

"It is surely indisputable (and common sense) that a Prime Minister may ask—not demand—that his Sovereign will grant him a dissolution of Parliament; and that the Sovereign, if he so chooses, may refuse to grant this request. The problem of such choice is entirely personal to the Sovereign, though he is, of course, free to seek informal advice from anybody whom he thinks fit to consult.

"Insofar as this matter can be publicly discussed, it can be properly assumed that no wise Sovereign—that is, one who has at heart the true interest of the country, the constitution and the Monarchy—would deny a dissolution to his Prime Minister unless he were satisfied that:

"1. the existing Parliament was still vital, viable and capable of doing its job.

"2. a General Election would be detrimental to the national economy.

"3. he could rely on finding another Prime Minister who could carry on his Government, for a reasonable period, with a working majority in the House of Commons.

"When Sir Patrick Duncan refused a dissolution to his Prime Minister in South Africa in 1939, all these conditions were satisfied: when Lord Byng did the same in Canada in 1926, they appeared to be, but in the event the third proved illusory."

It might be added that these conditions also could not have been satisfied in this country a year ago, because Mr. Pearson's motion calling upon the Government to resign had been defeated in the House.

One duty of the Governor-General is to act as a mediator between the political parties should the need arise. In 1917, the Duke of Devonshire asked Sir Robert Borden and Sir Wilfrid Laurier to meet with him to discuss such questions as the advisability of a coalition government, of a wartime general election and the general issue of conscription. However, the use of this power is a delicate matter and it is unlikely to be exercised except under extreme circumstances.

Perhaps the most important prerogative of the Governor-General as the Sovereign's representative is his right to be consulted, to encourage and to warn. It is the full use King George VI made of this power that was the most surprising revelation of Mr. Wheeler-Bennett's biography. Its use in Canada has varied with the man and the opportunities, but it has been employed here just as in the United Kingdom.

Lord Grey was concerned about Sir Robert Borden's nomination of Col. Sam Hughes as Minister of Militia and Defence in 1911 and asked his Prime Minister to reconsider it. Lord Byng objected to some appointments recommended by Arthur Meighen after his defeat in the General Election of 1921: but while Byng reluctantly approved them, Lord Aberdeen had refused to do so under similar circumstances in 1896. During the Second World War, Lord Athlone insisted on his right to be informed and asked that reports of the fighting overseas be sent to him daily. Both Laurier and Borden have paid tribute to the helpful advice and counsel given them by the Governors-General whom they served.

MacGregor Dawson has said that Prime Ministers are increasingly disinclined to consult the Governor-General on matters of policy, though admitting this might vary with the personal elements of the situation. "Thus, a veteran Prime Minister like Mackenzie King, while remaining on the friendliest terms with Lord Alexander, did not make a practice of consulting the famous soldier, presumably because he was confident that Alexander's advice on

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- Natural Gas Liquids Reserves increased from 6,322,000 barrels to 13,118,000 barrels.
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- Home Oil's Cremona Pipeline Division had a daily throughput of 7,390 barrels from Harmattan-Elkton to Calgary. This was the highest average yet recorded
- Home Oil participated as an equal partner with Texaco Canada Ltd., in constructing the 130 mile Federated Pipe Line from Swan Hills to Edmonton. The project cost $5,600,000 and is now in operation.
- Due to reduction in the price of crude oil and curtailment of market allowables, gross income from operation was cut from $9,097,000 to $7,510,000.
- Daily average production of crude oil was down to 6,770 barrels compared with 8,473 barrels in 1957.

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Canadian politics would be quite worthless," he wrote.

"On the other hand, it is possible that the coincidence of a relatively inexperienced Prime Minister with a seasoned Governor-General of outstanding ability might conceivably lead to the establishment of a very different relationship where the opinions of the Governor might not only be sought but also be given the most careful consideration."

This precise coincidence arose in June, 1957: How it will develop, history only will tell.

It is obviously impossible to discuss how Mr. Massey has made use of his rights to be consulted, to encourage and to warn. However, his knowledge and experience of Canada is greater than that of any of his predecessors, which must give strength to his position. In addition, the fact that he is our first native born Governor-General must enable him to bring his influence to bear in a way that could in others be open to the suspicion of pressure from Whitehall.

A study of the Social Columns of the Ottawa newspaper shows that His Excellency makes a practice of receiving his Ministers frequently, probably more often than any recent holder of the office. It is reasonable to assume that he will discuss with them their plans and their problems, offering his counsel where it might be of assistance. As we have now discovered with King George VI, it may well be that Mr. Massey's influence is greater than his formal acts might indicate. His replacement will not be easy to find.

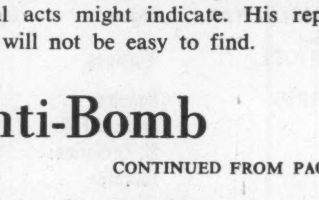
Anti-Bomb

CONTINUED FROM PAGE 15

any form of provocation.

Chaos threatened at first as bearded jazz musicians tuned up their instruments in one corner of the crowded field while Canon Collins conducted a religious service in another. But when they set out past the low, sombre bomb plant, the bands were stilled and the beat of a solitary drum gave a sort of dignity to the silent, two-mile procession.

Along the way, hitches were kept to a minimum, thanks largely to the organising talent of Peggy Duff, a tireless veteran of campaigns for such causes as a united Europe and the abolition of capital punishment. Marshals with armbands kept the marchers in line, a medical detail kept check on children and dogs (there were



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scores in the march), public and private halls were provided for sleeping, and trucks took care of bedrolls and food.

In every town, spectators lined the pavements to watch the strange procession. Many clapped, a few jeered, most watched in silence. For some, the eccentric appearance of some of the marchers was more interesting than the underlying seriousness. In Reading, one little, grey-haired lady hurried an equally greyhaired friend to the scene. "Let's see if we can spot the anarchists, dear," she chortled.

There were some embarrassing moments. Communists frequently shouted slogans from the ranks and had to be discouraged from raising poitical banners. In general, strangely-clad art students and the noisy skiffle groups attracted the most attention.

But there were few incidents, and these were generally comical. Outside Hyde Park Barracks, guards of the Household Cavalry were told: "We'll put you lot out of jobs." The Guardsmen replied — with some justification—"Get your hair cut."

On the last day, thousands of new marchers—mostly middle-aged or elderly —gave the long procession a more serious appearance. And banners with names of towns, political movements and overseas countries stressed the cosmopolitan nature of the movement.

Next morning, newspapers which had previously ignored or mocked the Campaign gave sober and accurate reports and it was widely agreed that the march had been an unprecedented success.

Campaign leaders admit they are still a long way from achieving their goals. "From here on, our major task is to achieve closer links with similar movements on the Continent, and to keep on educating the public," Peggy Duff explained. "We are also lobbying members of Parliament, but there's nothing much we can do in a direct political way."

Along these lines, observers give the Campaign some limited credit for the British Government's desire to negotiate rather than bluster over Berlin. But most Campaign leaders are hoping for a Labor Party victory in the coming General Election.

Labor is still committed to a British nuclear deterrent, and Nye Bevan has warned against sending any British Foreign Secretary "naked into the conference chamber". But growing concern among party leftwingers and among the trade unions should force a Labor Government to take more positive disarmament measures.

No British Government—Conservative or Labor—is expected to back out of the arms race on its own. But as one veteran observer conceded: "In the same way that Macmillan took the initiative over Berlin, so, a future British Government, goaded by this Campaign, might well cause a breakthrough in the disarmament talks."

That, at least, is a minimum hope of Britain's growing Campaign for Nuclear Disarmament. One of their 15,000 marchers, Phillip Galloway, a 17-year-old plumber's apprentice from Bristol, summed up the attitude of many as he nursed his tired feet on the edge of Trafalgar Square. "I don't know if this marching does much good," he said. "But we've all got to do something or we may not have any future at all."

Income Tax

CONTINUED FROM PAGE 19

letter of the law. However, such benefits are capricious and undependable and may be upset without apology and without notice.

The initial substitution of a rule of law for ministerial discretions was beneficial to the extent that it ensured that decisions of assessors would have to bear public scrutiny.

These objectives of certainty and uniformity are still unattained and unattainable to the extent that taxpayers dare not appeal because the law is awkwardly worded and assessing practice is more liberal than the law itself.

This writer recommends, as a major improvement in the structure of the legislation, a halt in the apparently aimless drifting (or deliberate steering, if this is what is happening) in the direction of complete codification. Instead, the legislation should adopt the broad, general provision, in accordance with modern accounting theory, that a taxpayer be permitted to use any reasonable method of year-end allocation provided he applies it consistently from year to year. This reform would be eminently practical and sensible and would not result in any net loss of tax revenue if efficiently administered. Unproductive efforts of assessors could be minimized. Attention could be directed to more productive efforts than the uneconomic shifting of amounts from year to year.

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Point of View

U.S. Laws and Canada

IT IS PERHAPS a little late to comment on Professor Cohen's article on the problem of United States anti-trust laws and Canadian companies, but the subject is a rather important one, and a solution would be a worthwhile contribution to Canadian-United States relations.

Mr. Cohen seems to have oversimplified the issue of territoriality, and sidestepped the practical purpose of anti-trust legislation in his argument and proposals. He says by "the ordinary operation of the rules of international law" Canadian companies are not subject to U.S. law unless they have committed some illegal act *there*. It is all very well to state as a matter of principle that no nation should expect to control activities taking place within another nation; anti-trust laws, like most legislation, arise from concern over effects, not activities themselves. No one cares particularly about the simple squeezing of a trigger, or where it takes place; it is when the bodies begin to fall that we become concerned.

The United States anti-trust laws are directed at foreign activities where the activities have an undesirable effect on commerce in the United States, usually on imports or exports. It is difficult to deny that the United States has a legitimate interest in restraining these activities. In order to judge the propriety of United States legal intervention we may well question how much effect there must be on United States commerce, whether the effect must be actual or merely probable, whether it must have been specifically intended, and whether the participants in the activities must be personally subject to United States courts. It might well be expected that the United States would alter these standards somewhat for extraterritorial operation as opposed to domestic operation of the anti-trust laws, in the interest of better foreign relations.

The standard of the Alcoa case (U.S. v. Aluminum Company of America, 148 F. 2d 416 (1945)) is probably much too offensive to most neighbors of the United States: Judge Hand declared "it is settled law . . . that any state may impose liabilities, even upon persons not within its allegiance, for conduct outside its borders which has consequences within its borders which the state reprehends; and these liabilities other states will ordinarily recognize." Of course as a practical matter United States courts cannot enforce any laws against persons over whom they cannot acquire jurisdiction, and the English courts, at least, have shown no disposition to act as purveyors of United States anti-trust policy.

A very real problem arises, as Mr. Cohen points out, where the United States is able to exercise compulsion on the United States parent of a Canadian subsidiary. The subsidiary falls somewhere between a Canadian and an American "citizen". It is technically a creature of Canadian law, but practically a creature of its American parent. From a Canadian point of view the United States seems to have no right to legislate over the Canadian activities of this Canadian company, but from the United States point of view it seems foolish to permit one American company to make use of a Canadian subsidiary to hurt the United States economy, while preventing another from doing the same thing directly, or through a Canadian branch.

This is a reply to Professor Maxwell Cohen's article "U.S. Supreme Court versus Canadian Freedom" (SN, February 28). Mr. Williamson is Assistant Professor at the Graduate School of Business Administration, Harvard University.

But however we may come out on the questions of standards for jurisdiction, it is unreasonable to expect the United States to restrict the effect of its anti-trust laws purely on the basis of where the activities in question take place, regardless of their effects. Mr. Cohen acknowledges this when he comes to his proposals. The form of the agreement he suggests, however, has some substantial weaknesses.

A treaty is, in itself, a sensible proposal. Any differentiation between domestic and extraterritorial anti-trust policy is now left to the courts in the United States, while the decision whether or not to prosecute is vested in the Justice Department, which does not always see eye to eye with the State Department. A change in the anti-trust laws themselves is possible, but not very likely—at least a treaty would seem to stand a better chance of meeting Canadian desires.

ANSWER TO PUZZLER

27 (19 girls, 8 men).

Mr. Cohen's suggestion that Canadian subsidiaries should not be subject to United States anti-trust laws where their activities, in Canada, have only "remote" or "indirect" effects on U.S. commerce is fine in principle, but the test is very hard to apply. What seems remote in Canada may well seem proximate in the United States, and a lawyer would be foolish to advise a client that such a test had really removed an obstacle to a planned course of action.

The treaty Mr. Cohen suggests would exempt Canadian subsidiaries of U.S. parent companies where their activities are not *designed* to affect indirectly competition in the U.S. Not only is the "indirect" approach vague, it is hard to know what the result of this "intent" test would be. If a person can be said to intend the probable results of what he does, then Mr. Cohen's treaty has not helped very much. But if a treaty were to require that to violate U.S. law the Canadian subsidiary must intend to *harm* a segment of the United States economy, a more useful concession might have been made to Canadian sovereignty.

Another test, which calls for more restraint on the part of the United States, would be one of result. Proof might be required, in extraterritorial cases, of actual harmful effects, and not simply of activities which may lead to harmful effects. An attempt to secure complete exemption for Canadian companies which do no business in the United States might be worthwhile, but it is difficult to see why the United States would make such a substantial concession.

Extraterritorial operation of United States anti-trust laws is only one of the many sources of Canadian-United States friction, but it is one that offers the prospect of amelioration by agreement. There is ample room for negotiation to an agreement, but only if the concessions sought are actually useful and based on an understanding of the purpose of the anti-trust laws, is the agreement likely to be satisfactory. J. PETER WILLIAMSON

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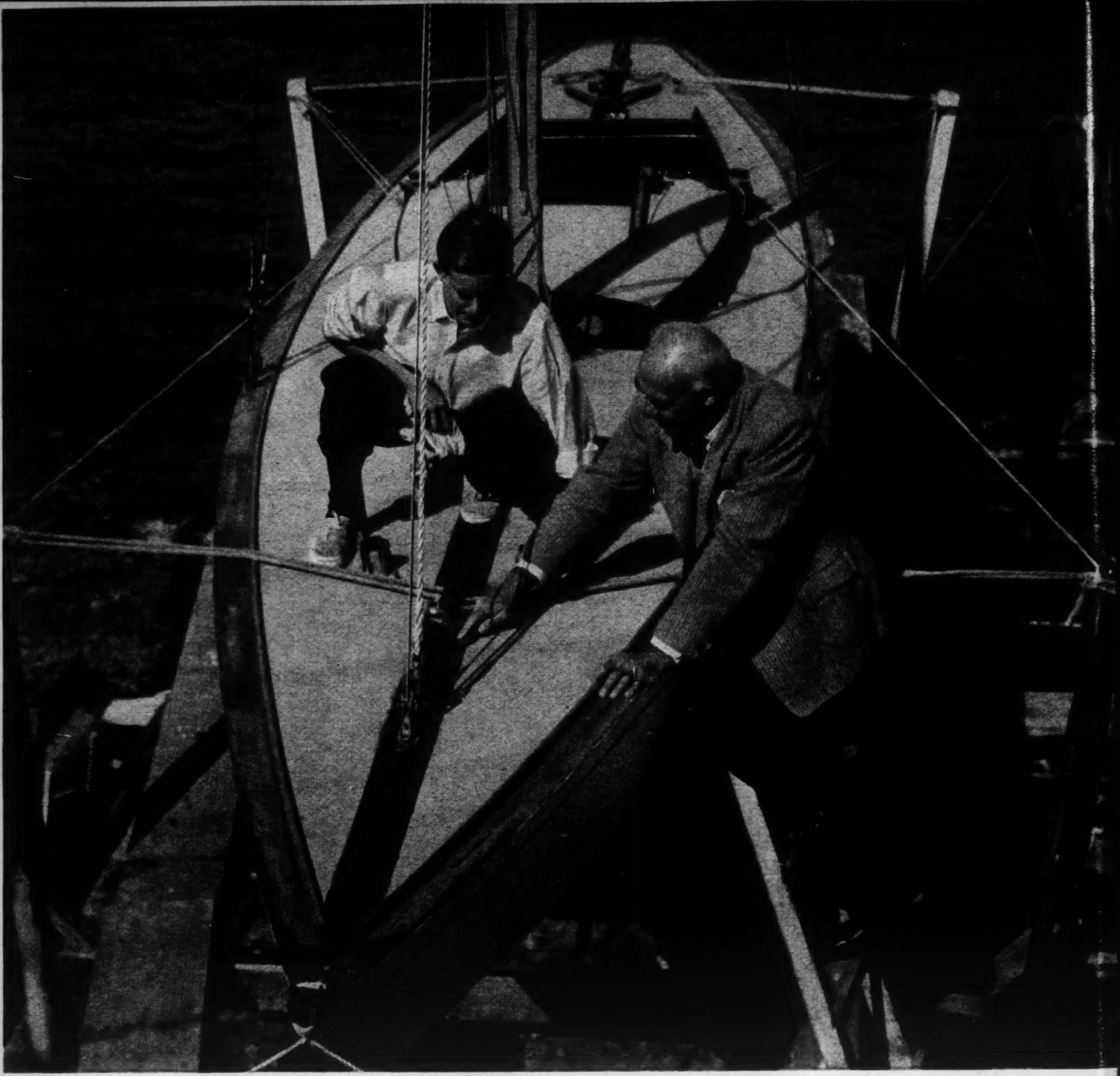

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